The Financial Times, March 12, 1976

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NEWS SUMMARY

GENERAL

Lebanon general stages coup

Brigadier General Aziz Ahdab, commander of the Beirut garrison, last night announced a military coup d'etat in Lebanon and called upon President Suleiman Franjieh to resign.

Earlier Mr. Rashid Karami, Prime Minister, resigned after rebel Moslem army officers had rejected an amnesty offer and spread the army rebellion by seizing three more barracks.

General Ahdab, who is a 55-year-old Moslem, proclaimed martial law and an indefinite curfew. Troops were ordered to shoot violators on sight without warning.

Appointing himself military governor of Lebanon, the general declared that he upheld the country's agreement with the Palestinian guerillas.

It is understood that General Ahdab is supported by the air force commander and the chief of military intelligence, each of whom is Christian. **Back Page. Syria feature, Page 5**

Herrema kidnapper gets 20 years

Eddie Gallagher, 27, and Marian Coyle, 21, were jailed for 20 and 15 years respectively in Dublin yesterday for their part in the kidnapping last autumn of the Dutch industrialist, Dr. Tiede Herrema. Two accomplices each received eight years. A third man received a three-year suspended sentence.

In Belfast, nine prison officers and two prisoners were injured in fighting in the Republican remand wing of the Crumlin Road jail.

Rail trouble continues

Eastern Region train drivers gave a mixed response yesterday to their union, ASLEF's call for a return to work. At London's King's Cross they voted to stay out until Monday morning, thus ensuring that commuter services will remain disrupted. **Page 11**

Police may need army aid—Mark

A warning that the army might be needed to help fight political terrorists was given last night by Sir Robert Mark, Metropolitan Police Commissioner, in a lecture at Leicester University.

NUJ chief warns on Press charter

Mr. Ken Morgan, general secretary of the National Union of Journalists, told the Royal Commission on the Press yesterday that the union would be totally against the proposed Press charter being drafted unilaterally by a Secretary of State. Such a move would be intolerable. He also said the NUJ would not seek to dictate political views to its members. **Page 8**

Cancer miracle cure claimed

A 61-year-old Glasgow docker told yesterday of his miracle recovery from stomach cancer, following intensive prayer to a 17th century Jesuit priest who was executed in Glasgow in 1615 for maintaining the spiritual supremacy of the Pope.
Vatican versus the Communists, Page 6

Briefly . . .

Duchess of Kent, 43 entered King Edward VII Hospital for Officers in London last night for a check-up.

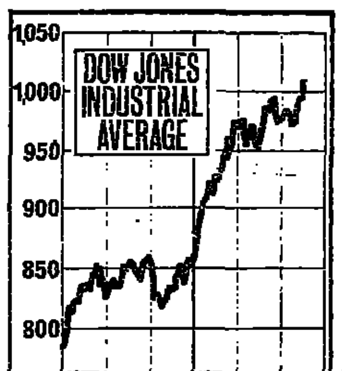
Kriter II, French entry in the F.T. Clipper Race, on her 54th day out of Sydney, yesterday continued to maintain her attempt on the voyage record. **Guia sinks, Page 8**

Mrs. Margaret Thatcher is to visit Japan in the autumn.

BUSINESS

Wall St. over 1,000; gilts fall

● **WALL STREET broke through the 1,000 barrier for the first time in three years to close at 1,003.31, up 8.03, on a series of optimistic economic reports.**



● **GILTS were volatile on rumours of a sharp rise in *Minimum Lending Rate to-day* and shorts closed with falls ranging to ¼. Losses in longs extended to ¾ and the FT Government Securities index closed 0.49 down at a two-month low of 61.34.**

● **GOLD fell $¼ to $133¾.**

● **EQUITIES were unsettled in slow trading. The FT 30-share index closed 2.3 down at 411.8, although the FT-Actuaries All-Share index gained 0.5 per cent. to 169.47.**

● **DOLLAR showed little change. Its weighted depreciation widened marginally to 2.21 (2.20) per cent.**

● **BACON** prices for middle and back cuts should come down by up to 10p a lb following a record drop of £90 a ton in Danish bacon. **Back Page**

Building society deposits climb

● **BUILDING SOCIETY** deposits in February reached about £350m., a figure which is second only to the record £406m. of April, 1975. **Back Page.** The Halifax, largest of the societies, recorded a 21.5 per cent. growth in assets in 1975 to £4.57bn. **Page 8**

● **ONASSIS GROUP** has asked marine insurers to write off its stranded tanker, the Olympic Bravery, following a pessimistic salvage report. About £11.5m. of the total £25m. insurance is placed in London. **Page 8**

● **JAPAN'S** current export boom is confined to consumer durables and concentrated on the U.S. market. It could peter out before it has produced a genuine recovery, warns a report published by Mitsubishi Bank. **Page 4**

● **INTER-UNION** differences between skilled and unskilled workers threaten to break up Ford's National Joint Negotiating Committee. **Page 11.** Ford U.K.'s chairman said Britain was "eyeball to eyeball" with a low wage, low productivity economy due to short-term political management. **Page 7**

● **STOCK EXCHANGE'S** new commission scale, raising charges to clients by an average 3.9 per cent., will come into effect on April 20.

COMPANIES

● **ROYAL DUTCH/SHELL** net income for 1975 fell to £950m. (£1.09bn.). Shell's 40 per cent. share, after tax deductions, came to £335m. (£402m.). **Page 27, Page 9 and Lex**

● **ULTRAMAR** announces a 9-for-20 rights issue of 15.3m. Preferred shares to raise about £14.7m. Negotiations to raise a further £20m. are in progress. Pre-tax profit for 1975 rose to £20.1m. (£15.7m.). **Page 27 and Lex**

CHIEF PRICE CHANGES YESTERDAY

(Prices in pence unless otherwise indicated)

RISES

Anglo Transvaal Inds.	118	+ 8
BBA	67	+ 4
Bemrose	63	+ 4
Blackwood Hodge	151	+ 5
Brentnall Beard	98	+ 6
Broken Hill Prop.	745	+ 25
Dolan Packaging	62	+ 6
Jardine Matheson	416	+ 14
Laing (J.) "A"	110	+ 5
Mngt. Agency Music	66	+ 6
Pegler-Hattersley	168	+ 5
Pentos	56	+ 4
Robinson (T.)	69	+ 4
Scholes (G. H.)	210	+ 6
Sharna Ware	47	+ 7
Stigwood (R.)	46	+ 4½
Tarmac	194	+ 6
Taylor Woodrow	298	+ 10
Shell Transport	416	+ 6
AM and S	164	+ 10
Minorco	193	+ 8
Palabora	720	+ 40
Peko-Wallsend	540	+ 20
Pot. Plat.	135	+ 7
Thiess Hldgs.	206	+ 18
South West Africa	125	+ 10
Vaal Reefs	£16¾	+ 1½
Westfield Minerals	190	+ 20

FALLS

Treasury 11½pc '81	£101⅛	− ¼
Treasury 13pc 1990	£98⅞	− ⅜
British Land	27½	− 3½
Capital and Counties	12½	− 2
Cater Ryder	268	− 12
Fisons	388	− 7
Gerrard National Disc.	255	− 13
Land Secs.	172	− 5
MEPC	75	− 4
Needlers	24½	− 3
Union Disc.	335	− 30
Ultramar	176	− 8

PM wins confidence vote by 17 majority

BY PHILIP RAWSTORNE

THE GOVERNMENT, in an immediate sequel to its humiliating defeat at the hands of its Left-wingers, last night secured a decisive vote of confidence from the Commons for its economic and financial policies.

Though the 37 Tribune Group rebels retracted none of their criticisms of the public spending curbs, they finally cast their votes with the Government against the Opposition.

The Government carried the day by 297 votes to 280—a majority of 17. Mr. Enoch Powell and six other Ulster Unionists abstained.

In the stormy final minutes of the debate, Mr. Denis Healey, Chancellor of the Exchequer, subjected the rebels to a venomous attack.

"No Government can be a Government if it surrenders to blackmail from a small minority," he said. "We cannot and will not surrender in this way."

The Labour abstainers had "conspired" with the Tories to defeat a Labour Government, he cried above the uproar.

If they did so again they would threaten the hand-over of government to the Tory party, some of whose policies would be "a recipe for revolution," and betray the loyalty of the Labour movement.

Mr. Russel Kerr, Left-wing MP for Feltham, stalked from the Chamber with a two-finger gesture at the Chancellor.

Shortly after the vote, two rebels were dismissed from their posts as Parliamentary private secretaries. They are Mr. Joe Ashton, PPS to Mr. Anthony Wedgwood Benn, Energy Minister, and Mr. Geoffrey Edge, PPS to Mr. Gerald Fowler, Education Minister of State.

Another rebel, Mr. Jim Callaghan, resigned as PPS to Mr. Joel Barnett, Treasury Chief Secretary.

So the Government's political crisis ended—though with a legacy of bitterness that will trouble the Labour Party for perhaps years to come.

Earlier yesterday the Cabinet had decided that the Government's authority had to be re-establishe das quickly as possible, partly to reassure the foreign exchange markets.

In the Commons, Mr. Wilson emphasised his firm intention to continue the fight against inflation and restore stability to the pound.

"The Government is prepared to assert its full determination to provide whatever protection is necessary (for sterling)," he declared.

The Left-wing rebels—savagely attacked by the Prime Minister and many of their colleagues for their "unholy alliance" with the Tories—were whipped into line as the Government faced Mrs. Margaret Thatcher's demands for a general election.

To thunderous Tory cheers, she snapped: "To-day's vote is a device to keep the Prime Minister in power—power without authority, power without principle. A position admirably suited to him."

Throughout the morning, the Tories had harassed the Government, blocking committee debates on legislation for which they claimed Ministers had no mandate.

The committee on the aircraft and shipbuilding nationalisation Bill, due to discuss the Government's compensation terms, had to be adjourned.

Amid the chaos, Mr. Arthur Latham, chairman of the Left-wing Tribune Group, signalled the rebels' intention to return to the Government fold. "Our intention has always been to maintain this Government in office," he said.

Parliament, Page 15
Miners back demand for TUC Congress on economic policy, Page 11
Public spending policies "under-rated," Page 7
Editorial comment, Page 22
Men & Matters Cartoon, Page 22

But the Prime Minister, forced to cancel a 60th birthday luncheon because of the affair, was in a bitterly angry, if jaunty, mood as he entered the Commons to face the massed Opposition parties.

In an atmosphere of mounting excitement and tension, Mr. Wilson quickly clashed with Mr. Eric Heffer, former Industry Minister and one of the Tribune group rebels.

Mr. Heffer, cheered by the Tories to the open disgust of other Labour MPs, denied that the abstentions had shown support for the Tories.

"The action of MPs who abstained was precisely because the Government had in fact pursued Conservative policies in relation to Government expenditure," he said.

"It is always an arguable question about promiscuity," Mr. Wilson retorted. "Whether you are more open to criticism for going into the bedroom or being a lap-dog outside the door." Moderate Labour MPs cheered in support as Left-wingers sank into silence.

Opening the debate, Mr. Wilson made it clear that the Government was making no concessions to the Left-wing. "The House must understand that this is a vote of confidence in the Government and its economic and financial policies," he said.

Mrs. Thatcher told the crowded House that nothing in the Government's economic performance justified a vote of confidence.

A central part of its programme had been decisively defeated and discredited, she said.

"All the Prime Minister had to do to ensure the continuance of his Government's policies was to carry his own side and keep the confidence of his own people. In this he totally failed.

"The Government had been defeated on major economic strategy. It is a resigning matter," she said to Tory cheers.

Pound gains two cents on Bank support

BY WILLIAM KEEGAN, ECONOMICS CORRESPONDENT

THE POUND recovered some its earlier losses yesterday after a sustained support operation by the Bank of England and a widely quoted assurance by the Prime Minister that "we are determined to maintain the value of sterling externally as we are to maintain the value of what the pound will buy, what sterling is worth, internally."

At $1.9355, and an effective weighted depreciation of 33.3 per cent. from December 1971 levels, sterling closed more than two cents above Wednesday night's value, rising in late dealings to around $1.94 on commercial demand in New York.

There were a number of market experts who thought that, following the 6 per cent. devaluation of sterling in the past week, the pound was in any case due for a recovery yesterday morning—a factor which was reinforced by the optimistic noises from the Bank of England about the U.K.'s chances of an export-led economic recovery.

But these theories were quashed by the strong wave of concern with which markets reacted initially to news of the Government's Wednesday night defeat in the Commons on the public expenditure cuts.

There was persistent selling of sterling yesterday morning from European centres, Japan and the Far East, and the Bank of England is estimated to have spent another $200m. supporting the rate at around the $1.9110 level, after at one stage it touched the all-time low first hit on Wednesday of $1.9070.

The cost to the reserves of the run on sterling during the last week has now risen to $¾bn.—equivalent to the bulk of the $1.1bn. loan recently drawn from the International Monetary Fund towards financing the U.K.'s overseas payments deficit for the whole of 1976.

This is the immediate price the U.K. has paid for merely "smoothing" the process of market forces in producing a devaluation which most of the Government's advisers wanted to occur some time, and with which Mr. Healey, the Chancellor, told the TUC privately this week he was "not displeased."

THE CHANGING POUND

	Y'days close	% change since end Feb.
Belg. Fr.	76.85	−3.2
Canada $	1.9065	−4.4
Dutch Gldr.	5.2150	−3.9
French Fr.	8.8125	−3.0
German Mk.	4.9975	−4.0
Ital. Lire	1,548½	−0.5
Japanese Yen	583½	−4.7
Spanish Pst.	129.70	−3.9
Swiss Fr.	5.0125	−3.7
U.S. $	1.9355	−4.4

The belief that sterling's fall was not unwelcome, coupled with a strong suspicion that the U.K. would like to do more than merely maintain "constant competitiveness" in international markets, has revived cries of "perfidious Albion" from across the Channel.

French official sources are blaming the upsets caused by the pound for the huge revival of pressure on the franc, which was supported to the tune of up to $500m. yesterday.

The revival of currency unrest also affected the Italian lira and the Belgian franc, on a day which was echoing with market rumours about a re-adjustment of the franc/German D-Mark parity within the currency band—the so-called "snake"—in

Continued on Back Page

Lardinois attacks EEC Minister, Page 6

Amalgamated Investment put into compulsory liquidation

BY QUENTIN GUIRDHAM, PROPERTY CORRESPONDENT

AMALGAMATED INVESTMENT and Property yesterday became the first major quoted group to fail since the decline in the commercial property market started in the autumn of 1973.

Its directors took the decision to cease trading and place the company in compulsory liquidation. Many of the creditors, including Barclays, the British bank with the largest amount outstanding, will appoint a common receiver, Mr. Mark Homan of Price Waterhouse, to the properties on which their loans are secured.

Mr. Peter Olsberg, chairman and managing director, said his Board believed that there would be "insufficient funds to pay all creditors in full at the end of the day. In these circumstances it is the directors' clear legal duty not to carry on trading."

Despite Amalgamated's liquidation being initiated by its directors, rather than banks forcing it into receivership, the implications for property values are potentially serious. The book value of Amalgamated's properties was £209m. in the last balance sheet and it is now unable to match assets to borrowings of £110m.

Despite sales which, Mr. Olsberg said yesterday, have realised £34m. in the past year, this still implies a drop in the value of Amalgamated's portfolio of around 40 per cent. Its last valuation was carried out in 1973, with developments included at cost.

The present shortfall between assets and liabilities was revealed while accountants Price Waterhouse were making an investigation of the company's affairs prior to Amalgamated trying to negotiate fresh agreements with its bankers. Last year many of the 40 banks involved had agreed a moratorium, with the company rolling up some interest payments, until its financial year-end on March 31.

Mr. Olsberg said that the margin by which assets fell short of £110m. was a "very, very close thing." Lazards, banking advisers to the company, said the figure was less than £10m.

The Bank of England had been kept informed of the company's position. Mr. Olsberg said that "As a general rule I have found the attitude of the banks both in the U.K. and overseas, to be perfectly reasonable while of course seeking to protect their own positions, as is their duty."

Yesterday there were fresh denials that French banks had caused the collapse, breaking a Bank of England understanding that major property groups should be supported. The main French loan is the nearly £20m., raised by a syndicate headed by Credit Lyonnais, on an unlet office currently bein completed in the Paris suburbs.

While more than half Amalgamated's shares, which were suspended on Tuesday at 16½p, were in institutional hands, it is not thought that any one body held more than 5 per cent.

The unusual method of compulsory liquidation which has been adopted is due to the holding company carrying no floating charges against which a creditor could have placed it in receivership. The liquidation will be instigated by getting a creditor or shareholder to petition for liquidation.

Mr. Olsberg said he believed the banks would continue to be "reasonable and responsible with a view to an orderly disposal of the group's assets during the course of time."

He explained the group's problems as stemming from an absence of development funding in 1973-74, the reduction of rental values and the weak letting market.

Ironically, it is thought that contracts will be exchanged shortly to lease a large part of one of AIP's largest unlet buildings, the former Port of London Authority headquarters close to the Tower of London.

Property shares fell further yesterday, with Land Securities closing at 172p, down 5p, MEPC at 75p, down 4p, British Land at 27½p, down 3½p, and Capital and Counties 12½p, down 2p.

FEATURES

For latest Share Index phone 01-246 8026.

Surge in February output boosts BSC's 1976 prospects

BY ADRIAN HAMILTON

STEEL production rose sharply last month to its highest levels in almost a year to average 450,000 tonnes a week.

The rise, reflecting a month in which there were remarkably few labour stoppages, has been enough to give the British Steel Corporation a considerably more optimistic view of its financial results for the current year.

The corporation, which accounts for some 85 per cent. of British steel output, is now thought to believe that its loss for the financial year 1975-76 will only be £250m. compared with a prediction of £340m.-£350m. just a few months ago and nearly £300m. forecast for the Government this week.

Commenting on the latest figures, published jointly by the corporation and the British Independent Steel Producers' Association, the corporation was however, quick to warn that the industry was still far from turning the corner of its worst recession in 40 years.

Production averages for February were still 10.6 per cent. down on the same month last year and, while up nearly 15 per cent. on January of this year, reflected as much on forward buying by merchants against an expected price rise as on any underlying rise in demand.

The central factor still remains the stocks and the depressed state of British manufacturing industry as a whole. While demand has improved in particular sectors, such as cars, where stocks are relatively low, in other areas, such as shipbuilding and construction, stocks remain unusually high and de-stocking continues.

Hopes remain that the steel industry, as other areas of manufacture, has seen the worst of the recession and in Europe, at least, there are signs of a marked revival in sales.

But in the U.K. the broad picture remains fairly gloomy with few hopes of any real rise in demand until the end of the year at the earliest.

Disruptions

Nevertheless, British Steel's own position has undoubtedly improved thanks to fewer strikes, improved productivity and higher returns in certain key markets such as car and consumer durables.

The Corporation's losses have been reduced from more than £8m. a week at the end of last year to less than £6m. a week and it is aiming to move into profit by the end of the next financial year.

A major problem is the extent to which some of its customers have gone abroad for supplies during the period of labour disruptions and production problems, especially in Wales, over the Winter.

Several large customers, including GKN (which is now negotiating a new long-term purchase deal to replace its current arrangement with BSC, which runs out this summer) have contracted for a substantial proportion of their future supplies from the continent and may not easily switch back to BSC.

Another major import deal is for tinplate. As a result of the labour dispute of January, Metal Box and the Reed Group contracted from the U.S. nearly 15,000 tonnes of double-reduced tinplate.

The Department of Industry has now applied to the Common Market Commission to relieve these temporary imports of the normal 7 per cent. duty and, with Commission approval, this is now to be considered by the nine member Governments next Thursday.

The imports, it was stressed yesterday, were on a one-off basis to supply a particular shortfall and, with production rising again in the Corporation, should not have to be repeated beyond the regular marginal quantities imported by the main consumers of this product.

هكذا من الأصل

LOMBARD

Make-up of the EEC Assembly

BY C. GORDON TETHER

THE FACT that there now seems to be some possibility that the plan to hold direct elections for a European Assembly by 1978 will be wrecked by the opposition to the idea that has been developing in France is interesting in itself. For it suggests that it is not only on this side of the Channel that the nature of the latent threat to the individual sovereignty of Common Market countries posed by the creation of an elected Parliament is coming to be understood.

But it also has considerable relevance to another important question that has so far attracted *altogether too little attention*. Which is whether the new body should—if and when it does materialise—be primarily concerned with reflecting voters' Right, Left or Moderate political orientation or their feelings about the pace at which European integration should or should not proceed.

The present non-elected Assembly at Strasbourg functions more or less on traditional party lines—as, indeed, is inevitable seeing that it is made up of sitting members of the various national Parliaments in rough proportion to the strength of the parties in those Parliaments. And it seems to be generally taken for granted that an elected European Assembly would be organised on much the same lines. Certainly, there is already a good deal of talk in this country of the three main parties putting candidates into the field in much the same way as they do at our own General Elections.

Meaningful

There is, however, no obvious reason for thinking that this is the only alternative. In a fully unified Europe it might be entirely appropriate for an elected Assembly to devote itself to the customary Left-Right debate. But in one that is at a very early stage of this process and far from clear as to how much further it wants it to go, there is a lot to be said for so arranging things that it would be primarily concerned with the integration issue itself.

This would not only ensure that the new body could operate in the most meaningful fashion. Since candidates could make their appeals to electorates in terms of their views as to how fast or how slowly the promotion of European togetherness should proceed, it would also go a long way to giving the "grass roots" democratic control over the aspect of Europeanisation that matters most to them.

In this connection, it is important to realise that not everybody shares Sir Christopher Soames' view that co-operation of the type that the EEC is at present identified with is not enough and that Europe needs—as he recently put it—"a strong and confident political authority capable of steering it from the situation of being merely a customs union with certain elements of co-operation to that of being a much deeper economic union acting as a great civilian power on the world stage."

This is certainly the case in this country where, after all, the assent to continuing participation in European togetherness given in last year's referendum was based on an official scenario that ruled out, more or less for good, British involvement in such advanced forms of unification as economic and monetary union. And it would also appear to be true of France.

Power-sharing

It is hard to see how such legitimate anti-Marketism is going to make itself felt as the elected Assembly takes over a larger and larger measure of control—something which we can assume it will hold to be its right — if it has to rely for expression on members who have been elected on a traditional party basis.

For they will have no commitments to take to the Assembly other than those arising from their parties' broad political attitudes. And the point is worth making that, although the Labour Party has more anti-Marketeers than the other two, a substantial part of its membership is in favour of advanced European integration.

There is another point that cannot be emphasised too strongly. It is that, although it is quite conceivable that we may eventually have a situation in the EEC wherein the majority of the combined population is prepared to go along with the more advanced forms of unification, it will be of the utmost importance to see that the minority — those who would prefer to leave things as they are or even back-pedal—has an adequate voice.

It is pertinent to point out that, during the recent Governmental controversy in Northern Ireland, Westminster accepted the proposition that the catholic minority should be given the right to share power. If that is right for Northern Ireland, it is no less right for where European integration is concerned.

RACING — BY DOMINIC WIGAN

Meridian faces few problems

KEN OLIVER rarely bothers to send runners on the long and expensive trip south from his stable at Hawick, Roxburghshire, to Sandown, and it seems significant that he has decided to saddle *Meridian II* with top weight of 13 stone in the Esher course's Horse and Hound sponsored Grand Military Gold Cup to-day.

This chesnut son of Midlander has been maintaining smart form throughout the season.

He put up an impressive display last time out when gaining his second success of the campaign in Nottingham's Corporation Chase.

Always going well in that competitive 3½-mile handicap, Meridian II forged clear from the penultimate fence to win, going away, by five lengths from Spariot, to whom he was conceding 11lb.

If as I expect, Meridian II proves up to reproducing that form here, he should have few problems. The course winner, Number Engaged, who is in receipt of a stone from the Scottish raider, may provide the chief threat.

Half an hour after the Grand Military an interesting race is in prospect for the Flyers' Open Novices' Chase, in which *Poor Boy*, Solonius and Topping will all be trying to complete doubles.

Here I have no hesitation in going for David Morley's Bury St. Edmunds representative. Poor Boy, who created a highly favourable impression on his public introduction to the major obstacles, when drawing well clear of Coole Abbey in the final half mile of Warwick's Castle Chase a fortnight ago.

Morley and his stable jockey, Bob Davies, who is John Francome's closest pursuer in the jockeys' championship race, also have hopes of winning with *Murray Flash*, among runners in the Select Four-year-old Hurdle, and with Dan Pablo, who goes for the closing event, the Lime Open Hurdle.

Murray Flash, who performed well before making little show in Kempton's St. James's Hurdle last time out, should be good enough to regain winning form, now that both Tudor Slipper and Bargain Day have come out.

However, I cannot see Dan Pablo successfully conceding 12 lbs to Paul Kelleway's progressive mount, *Pablond*, who gained an overdue success on the Sunbury track a fortnight ago in a division of the Ashford Hurdle.

Pablond's winning time of 3 minutes 50.6 seconds was almost 10 seconds better than that put up by Trustful in the other division an hour later.

At Teesside, *Simalliton* looks like providing the answer to the Lamb Inn Chase, now that Meridian II's stable mate, Bannow Bay, has been scratched. Popular veteran *Proud King* is taken to gain his fourth course and distance victory in the three-mile March Hare Chase an hour later.

SANDOWN
2.00—Green Gold
2.30—Tuscan Prince
3.00—Murray Flash
3.30—Meridian II***
4.00—Poor Boy*
4.30—Pablond**

TEESSIDE
2.15—Simalliton
3.15—Proud King
3.45—Happy Boy II

SALEROOM — BY ANTONY THORNCROFT

Lucan candelabra fetch £550

YESTERDAY WAS a mundane day in the London saleroom. At Christie's a continental furniture sale totalled £83,040. The top price, £4,800 paid by Woods Wilson for a large ormolu mounted porcelain vase and cover decorated in the Imari style, was well above forecast, but there were disappointments.

In particular, the tapestries in the carpet, rug, and tapestry section (which added £27,088 to the total) suffered setbacks. Other noteworthy prices were the £4,000 from Cranbourn Antiques for a fine Louis Philippe ormolu mounted Kingwood table-a-écrire, and £2,800 from a private buyer for a Spanish walnut and marquetry cabinet-on-stand.

Perhaps of more popular interest was the £1,500, less than half the estimate, for a Maltese burr-walnut and marquetry bureau of around 1800. Maltese furniture is rarely offered in London, and this piece had a good history, as it was brought to the U.K. around 1825 by Admiral Sir Edward Codrington, and had stayed in his family. But it failed to excite the buyers.

A set of three ormolu three-light candelabra, which were sold by order of the trustees in bankruptcy of Lord Lucan, was also below target, at £550. In contrast, a Tabriz carpet maintained the recent demand for oriental items by beating its estimate at £1,900.

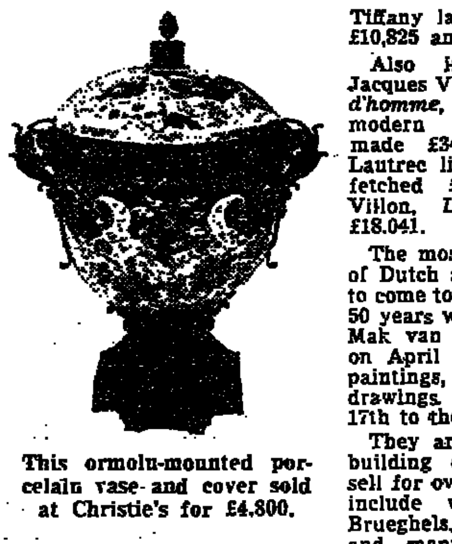
There was little of interest in the Sotheby's silver sale which made £26,914, although the top price, £1,150 for an 18th century Italian covered sugar box, contrasted with a £350-£450 estimate. But in Los Angeles the salerooms' U.S. partner disposed of art nouveau for 74,188 and three Tiffany lamps sold for £11,340, £10,825 and £10,309 respectively.

Also in Los Angeles, a Jacques Villon painting, *Portrait d'homme*, sold for £27,907 in a modern picture sale which made £343,959. A Toulouse-Lautrec lithograph of a dancer fetched £19,072 and another Villon, *L'acrobate*, went for £18,041.

The most important collection of Dutch and Flemish paintings to come to the market for almost 50 years will be sold at Sotheby Mak van Waay in Amsterdam on April 26 and 27. The 382 paintings, watercolours and drawings range from the early 17th to the early 20th centuries.

They are the collection of a building contractor and could sell for over £3m. The sale will include works by both the Brueghels, Cuy, Wouverman and many by the Koekkoek family.

In London on April 1 a collection of 18th century watercolours illustrating Lord Macartney's embassy to the Emperor of China in 1792 and 1794 comes under the hammer. They are the work of three members of Macartney's suite and give a rare exposure of Chinese life of the time. The 55 lots are expected to sell for betwen £30,000-£40,000.



This ormolu-mounted porcelain vase and cover sold at Christie's for £4,800.

TV Radio

† Indicates programme in black and white.

BBC 1

7.05 a.m. Open University. 9.30 For Schools, Colleges. 10.45 You and Me. 11.00 For Schools, Colleges. 12.45 p.m. News. 1.00 Pebble Mill. 1.45 Andy Pandy. 2.02 For Schools, Colleges. 3.25 Pobol y Cwm. 4.00 Play School. 4.25 Barbapapa. 4.30 Jackanory. 4.45 Wacky Races. 5.00 Crackerjack starring Don Maclean. 5.40 Captain Pugwash.
5.45 News.
6.00 Nationwide.
7.00 "Courage Of Lassie," film.
8.30 The Liver Birds.
9.00 News.
9.25 The Detectives: Harry O.
10.15 To-night.
10.45 Film '76.
†11.17 Friday Film: "Johnny Concho," Frank Sinatra.
12.37 a.m. Weather.

All Regions as BBC 1 except at the following times:—

Wales—1.45-2.00 p.m. Pili Pala. 6.00-7.00 Wales To-day. 7.00-7.20 Heddiw. 7.20-7.35 Cartoon Time. 7.35-8.00 Ask the Family. 8.00-8.30 Happy Ever After. 10.15-10.45 Kane on Friday. 10.45-11.15 Folk Club. 11.15-11.17 News and Weather for Wales.

Scotland—10.23-10.43 a.m. For Schools: Around Scotland. 11.00-11.20 For Schools: Living in Scotland. 6.00-7.00 Reporting Scotland. 7.00-7.30 World Championship Curling. 7.30-8.00 A Taste of the Orkney Isles. 8.00-8.30 The Liver Birds. 8.30-9.00 Current Account. 10.45-11.15 Steptoe and Son. 11.15-11.17 Weather and News for Scotland. 12.37 a.m. Weather.

Northern Ireland—3.58-4.00 p.m. Northern Ireland News. 6.00-7.00 Scene Around Six. 10.45-11.15 Look Who's Talking. 11.15-11.17 Weather; News for Northern Ireland. 12.37 a.m. Weather.

England—6.00-7.00 p.m. Look North (from Leeds, Manchester, Newcastle); Midlands To-day (from Birmingham); Look East (from Norwich); Points West (from Bristol); South To-day (from Southampton); Spotlight South-West (from Plymouth). 10.45-11.15 North (from Leeds) The Rating Game; North-West (from Manchester) Home Ground with Brian Redhead; North-East (from Newcastle) Movie Makers; Midlands (from Birmingham) The Garden Game; West (from Bristol) Quiz West; South-West (from Plymouth) Peninsula; Dr. A. L. Rowse; South (from Southampton) The Young Question: Sixth-formers question Robin Day; East (from Norwich) On Camera.

BBC 2

6.40 a.m. Open University.
11.00 Play School.
5.00 p.m. Open University.
7.05 Dressmaker.
7.30 Newsday.
7.50 Pioneers of Photography.
8.15 The Money Programme.
9.00 Open All Hours.
9.30 Deceivers Ever—the Magic Circle.
10.15 Fall of Eagles.
11.10 Newsnight.
11.25 Closedown: Paul Schofield reads Thomas Aquinas, by Elizabeth Jennings.

LONDON

9.30 a.m. Schools Programmes. 12.00 A Handful of Songs. 12.10 p.m. Rainbow. 12.30 Paint Along With Nancy. 1.00 First Report. 1.20 Lunch-time To-day. 1.30 Crown Court. 2.00 Good Afternoon. Money-Go-Round. 2.30 Galloping Gourmet. 3.00 Griff. 3.55 General Hospital. 4.20 Funny Ha-Ha. 4.50 Magpie. 5.20 University Challenge.
5.50 News.
6.00 The London Report.
6.35 Crossroads.
7.00 Sale of the Century with Nicholas Parsons.
7.30 Yes—Honestly.
8.00 Police Woman.
9.00 Hadleigh.
10.00 News.
10.30 Police Five.
10.40 Russell Harty.
11.30 The Collaborators.
12.30 a.m. Visions of the Spirit.

All ITV Regions as London except at the following times:—

ANGLIA

1.25 p.m. Anglia News. 2.30 Film—Will Hay ... "Boys." 6.00 About Anglia ... Magician. 10.30 Probe ... Movie—"The Deadly ..." Your Music at Night.

ATV MIDLANDS

1.20 p.m. ATV Newsdesk. 2.30 Friday Matinee: "Gallant Journey" starring Glenn Ford and Janet Blair. 5.20 Indoor League Championship of Champions. 6.00 ATV Today. 7.00 Now Who Do You Do? 7.30 Hawaii Five-O. 8.30 Sale of the Century. 10.30 Extra Time. 11.00 The Monster Movie: "Dracula."

BORDER

1.20 p.m. Border News. 2.30 Friday Matinee "Faraday and Company." 6.00 Border News and Lookaround. 7.00 Mr. and Mrs. 8.00 Hawaii Five-O. 10.30 Border Parliamentary Report. 11.00 Film "The Hound of the Baskervilles" starring Peter Cushing. 12.30 Border News Summary.

CHANNEL

1.20 p.m. Channel Lunchtime News. 2.30 The Friday Matinee: "The Elevator." 6.00 Report at Six. 7.00 Treasure Hunt. 7.30 Hawaii Five-O. 8.30 Now Who Do You Do? 10.30 The Thrillseekers. 10.50 Film: "Who Was That Lady?" 12.45 News, weather in French.

GRAMPIAN

1.20 p.m. Grampian News Headlines. 2.30 Out of Town. 3.00 Houseparty. 3.30 Wildlife Theatre. 6.00 Grampian Today. 7.30 Hawaii Five-O. 8.30 Anita. 10.30 Indoor League Championship of Champions. 11.00 Late Horror Show: "Die, Monster, Die," followed by Road and Ski Report. 12.25 Evening Prayers.

GRANADA

1.20 p.m. This Is Your Right. 2.30 Friday Matinee—"The Hour of 13." 5.15 Chuckleheads. 5.20 Crossroads. 6.00 Granada Reports. 6.35 Space 1999. 7.35 Sale of the Century. 8.05 The Magician. 10.30 Kick-off. 11.05 The Friday Film: "Wait Till the Sun Shines, Nellie."

HTV

1.20 p.m. Report West Headlines. 1.25 Report Wales Headlines. 2.00 Women Only. 2.30 Out of Town. 5.20 Daily Fable. 5.25 Crossroads. 6.01 Report West. 6.18 Report Wales. 6.35 Space 1999. 8.00 The Streets of San Francisco. 10.30 Sweet Somerset. 11.00 Banacek. 12.20 Weather.

HTV Cymru/Wales—As HTV General Service except 1.20-1.25 p.m. Penawdau Newyddion y Dydd. 4.20-4.50 Stesion ...

HTV West—As HTV General Service except 1.20-1.30 p.m. Report West Headlines. 6.18-6.35 Report West.

SCOTTISH

1.25 p.m. Road and Weather Report. 2.00 Housecall. 2.30 Out of Town. 3.00 ... Scotland Today. 6.30 The Protectors. 7.00 ... 10.30 Late Call—Rev. ... Night Thriller: "Death is a Woman."

SOUTHERN

1.20 p.m. Southern News. 2.00 Women Only. 2.30 Friday Matinee: "Goodbye Raggedy Ann," starring Mia Farrow. 5.20 Greyhounded Hare. 5.25 Crossroads. 6.00 Day By Day. 6.00 Scene South-East. 6.35 Out of Town. 7.05 Now Who Do You Do? 7.35 Hawaii Five-O. 8.30 Yes—Honestly. 10.30 Southern Report. 11.00 Curse of the Mummy's Tomb. 12.20 Southern News Extra. 12.30 Weather, followed by Guideline.

TYNE TEES

2.30 p.m. The Saint. 3.25 Kitchen Garden. 6.00 North-East News. 6.05 Division—Local MPs debate. 7.00 Survival. 7.30 Sale of the Century. 8.00 Hawaii Five-O. 10.30 Sportstime. 11.00 Film: "Fanatic," starring Tallulah Bankhead. 12.35 a.m. Open Bible.

ULSTER

1.20 p.m. Ulster News Headlines. 2.30 Friday Matinee: "Faraday." 4.18 Ulster News Headlines. 6.00 UTV Reports. 6.25 Police Six. 7.00 Now Who Do You Do? 7.30 The Magician. 8.30 Sportscast. 10.30 Film: "Destroyer," starring Edward G. Robinson, Glenn Ford.

WESTWARD

12.25 p.m. Gus Honeybun's Birthdays. 1.20 Westward News Headlines. 2.30 Friday Matinee: "The Elevator." 6.00 Westward Diary and Sports Desk. 7.00 Treasure Hunt. 7.30 Hawaii Five-O. 8.30 Now Who Do You Do? 10.32 Westward Late News. 10.35 Late With Danton. 10.50 Film: "Who Was That Lady?". 12.45 Faith For Life.

YORKSHIRE

1.20 p.m. Calendar News. 2.30 Here Comes the Future. 2.55 Houseparty. 3.25 Kitchen Garden. 6.00 Calendar. Emley Moor and Belmont editions. 7.00 And Mother Makes Five. 8.00 Hawaii Five-O. 10.30 Calendar Sport. 10.45 Film—"Nightmare."

RADIO 1 — 247m

(S) Stereophonic broadcast

6.00 a.m. As Radio 2. 7.00 Noel Edmonds. 9.00 Paul Burnett. 12.00 Johnnie Walker including 12.30 Newsbeat. 2.02 David Hamilton (S) (also on VHF). 4.00 Rosko's Round Table. 5.45 Newsbeat. 6.02 Sam Costa (S) (Joins Radio 2). 11.02 John Peel (S) (also on VHF). 12.00-12.05 a.m. As Radio 2.

RADIO 2 — 1,500m and VHF

6.00 a.m. News Summary. 6.02 Colin Berry (S) including 6.15 Pause for Thought. 7.02 Terry Wogan (S) including 8.27 Racing Bulletin. 8.45 Contact. 9.02-11.30 Pete Murray's Open House in Leeds (S) including 10.30 Waggoners' Walk. 11.30 Jimmy Young (S). 1.55 Good Listening (VHF). 2.02 David Hamilton (S) as Radio 1, but including on 1500m only (also 202m Scotland) 2.45 and 3.45 Sports Desk. 4.30 Waggoners' Walk. 4.45 Sports Desk. 4.47 Sam Costa (S) including 5.45 Sports Desk. 6.45 Sports Desk. 7.02 Treble Chance Knockout Quiz. 7.30 Play it Again (S). 8.02 John Gregory (S) conducts the BBC Radio Orchestra. 9.02 Friday Night is Music Night (S). 10.02 Sports Desk. 10.05 Time for Old Time (S). 11.02 Len Jackson with The Late Show (1500m only (also 202m Scotland) VHF joins Radio 1). 12.00-12.05 a.m. Midnight Newsroom: Weather; motoring information.

RADIO 3 — 464m, Stereo & VHF

† Medium Wave only

7.00 a.m. News. 7.05 Overture concert: Arne, Andrew Pardham, Handel arr. Hogwood, Vivaldi, Johan Stamitz, records (S). 8.00 News. 8.05 Morning Concert: Brahms, Strauss, Weill, records (S). 9.00 News. 9.05 This Week's Composer: Tippett, records (S). 10.00 St. David's Music Week 1976 (S) Concert part 1: Locke, Holborne. 10.50 The Choral Tradition of Wales: talk. 11.05 Concert, part 2: Hindemith, Mathias McCabe, Gabrieli. 12.15 p.m. Midday Concert, part 1: Brahms, Mahler (S). 1.00 News. 1.05 Playbill (S). 1.20 Concert, part 2: Dvorak (S). 2.00 St. David's Music Week 1976. Violin and Piano Recital: Beethoven, Hoddinott, Messiaen, Franck (S). 3.15 The Shostakovich Symphonies. Concert on record (S). 4.15 New Records. Schubert (S). 5.25 Pied Piper (S). 5.45 Homeward Bound. 6.05 News. 6.10 Homeward Bound. 6.30 Lifelines. Leisure and Recreation. 6.50 It's Catching. 7.00 Special Report. 7.10 Reading for Pleasure. 7.30 Music from Pebble Mill, concert, part 1: Brahms (S). 8.00 Translation with Latitude. Talk. 8.20 Music from Pebble Mill, concert part 2: Beethoven (S). 9.15 How Cabinet Government Works. Conversation between Rt. Hon. Edward Heath and Lord Trend. 10.10 Berkeley, concert on record (S). 10.30 Music Now. 11.10 "Sorry, Wrong Number," by Lucille Fletcher. Dramatised story. 11.25-11.30 News. Weather.

Radio 3 VHF only—6.00-7.00 a.m. and 5.45-7.30 p.m. Open University.

RADIO 4 — 434m, 330m, 285m and VHF

6.20 a.m. News. 6.22 Farming Today. 6.40 Prayer for the Day. 6.45 Today. 7.00 News, more of Today. 8.00 News, more of Today. 8.45 Yesterday in Parliament. 9.00 News. 9.05 Voice of the People. 10.00 News. 10.05 Checkpoint. 10.30 Daily Service. 10.45 Morning Story. 11.00 News. 11.05 Poetry Prom. 12.00 News. 12.02 You and Yours. 12.27 Oh, Get On With It! 1.00 The World At One. 1.30 The Archers. 1.45 Woman's Hour. 2.45 Listen With Mother. 3.00 News. 3.05 Afternoon Theatre. 4.00 News. 4.05 Any Answers? 4.35 Story Time. 5.00 PM Reports. 5.50 Financial Report. 5.55 Weather and programme news. 6.00 News. 6.15 Brain of Britain 1976. 6.45 The Archers. 7.00 News Desk. 7.30 Pick of the Week. 8.30 Any Questions? 9.15 Letter from America. 9.30 Kaleidoscope. 9.59 Weather. 10.00 The World Tonight. 10.45 A Book at Bedtime. 11.00 The Financial World Tonight. 11.15 Today in Parliament. 11.25 Week Ending. 11.48 News preceded by Weather. 12.01-12.06 Inshore Forecast.

For Schools (VHF only): 9.40 a.m.-12 noon and 2.00-3.00 p.m.

BBC Radio London — 206m and 94.9 VHF

6.00 a.m. As Radio 2. 6.30 Susie Barnes with Rush Hour. 9.00 Richard Vaughan with Downtown. 11.03 In Town. 12.03 p.m. David Simmons' Call In. 12.45 London News Desk. 2.03 Paul Owens with 206 Showcase. 3.45 The London Gardener. 4.03 Lobby. 4.32 Tony Fish with Home Run, including 5.00 and 6.00 London News Desk. 6.30 Carry On, Councillor. 6.30 Sportsfield. 7.00 In Town (as 11.03 a.m.). 8.00 Good Fishing. 8.30 Platform. 10.03 Single File. 12.00-12.05 As Radio 2.

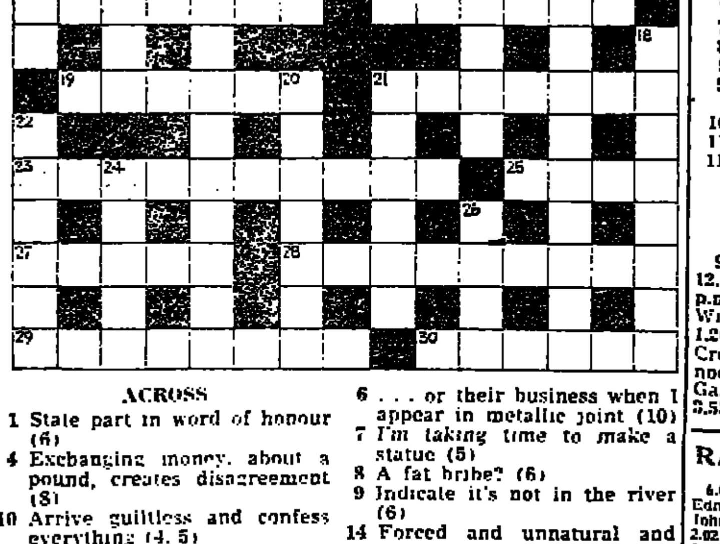
London Broadcasting — 261m and 97.3 VHF

5.00 a.m. Morning Music. 6.00 "AM"—breakfast-time show. 10.00 Brian Hayes. 1.00 p.m. Newswatch. 3.00 Newsbreak. 7.30 Music in Stereo. 9.00 Nightline. 1.00-4.30 a.m. Nightwatch—news every half-hour.

Capital Radio — 194m and 95.8 VHF

6.00 a.m. The Breakfast Show. 9.00 Michael Aspel. 12.00 Cash on Delivery. 3.00 p.m. Roger Scott. 7.00 London Today. 7.30 Open Line. 9.00 Rock Show. 11.00 Tony Myatt. 2.00 a.m. Night Flight.

F.T. CROSSWORD PUZZLE No. 3,028



ACROSS

1 State part in word of honour (6)
4 Exchanging money, about a pound, creates disagreement (8)
10 Arrive guiltless and confess everything (4, 5)
11 Go, on holiday (5)
12 Servant I get mad about (4)
13 Grace arrives clutching wedding certificate (10)
15 Strip a French curtain ... (7)
16 ... or undress Oriental showing sign of rank (6)
19 Gain advantage — in the capital? (6)
21 Ancestry rule a long time (7)
23 Sing about a subject, but only a little (10)
25 The way to work? Don't! (4)
27 Land, being heart-broken? (5)
28 Girl with weight has right to become a news-reader (9)
29 Entrance but team do nothing right (4-4)
30 Tnt went in front but was bad (6)

DOWN

1 Fetch me a stimulating drink (4-2-2)
2 Stay with the German residue (9)
3 Left star performer to put spirit in the drinks (4)
5 The dance for troops ... (7)
6 ... or their business when I appear in metallic joint (10)
7 I'm taking time to make a statue (5)
8 A fat bribe? (6)
9 Indicate it's not in the river (6)
14 Forced and unnatural and way-out (3-7)
17 Realistic, workable and business-like (9)
18 Softened or hardened metallically (8)
20 Storm and root around (7)
21 Ruling internal material (6)
22 Estimate fools going to the south (6)
24 Published—on the radio? (5)
26 Money providing sport to duke (4)

SOLUTION TO PUZZLE No. 3,027

D	E	C	O	C	T		S	C	O	R	E	S	
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ENTERTAINMENT GUIDE

OPERA & BALLET

COLISEUM. ENGLISH NATIONAL OPERA. Tonight, Mon. & Wed. ... Tomor. & Thur. 7.30 ... 7.30 King ...

COVENT GARDEN. LA SCALA ... Tonight 7.30 Simon Boccanegra ... 7.30 La Cenerentola. THE ROYAL BALLET. Tues. & Thur. 7.30 ... Wed. 7.30 The Dream ... Concert. Seats avail. ... theatre seats for all perfs. ... 10 a.m. on day of performance.

SADLER'S WELLS THEATRE. EC1. 837 1672. ... Last 2 ... Mats. Weds. & Sats. D'OYLY CARTE in GILBERT & SULLIVAN. To-night & tomorrow: Ruddigore. Mon., Tues. & Wed.: Iolanthe. Seats available from 50p—£2.50.

THEATRES

ADELPHI THEATRE. Evgs. 7.30. Mat. ... VIRGINIA McKENNA ... A LITTLE NIGHT MUSIC. BEST MUSICAL OF 1975 ...

ALBERY. 836 3878. ... Saturdays at 4 ... Best performance ... Evening Standard ... DOROTHY TUTIN, DEREK JACOBI ... A MONTH IN THE COUNTRY. "AN ECSTATIC EVENING" ... LAST 3 WEEKS ...

ALDWYCH. 836 6404 ... Royal Shakespeare Company ... Evenings 7.30 ... HENRY IV PART 1 ... HENRY IV PART 2 ... ROUNDHOUSE—see ...

AMBASSADORS. 836 ... Matinees Tues. 2.30 ... HAPPY AS A ... THE WONDERFUL ... "Delightful. Don't miss ..."

APOLLO THEATRE. LAST WEEK—must ... RONALD PICKUP ... The Award-winning ... by ALAN AYCKBOURN. THE NORMAN CONQUESTS. BEST PLAY OF THE YEAR. Evening Standard ... TABLE MANNERS ... TOGETHER ... R'ND THE GARDEN ...

APOLLO THEATRE. BARRY HUMPHRIES ... HOUSEWIFE—SUPERSTAR ... Opens Tuesday, March ... Subs. Evgs. 8.30 ...

ARTS THEATRE CLUB. Inst. temp. mem'ship ... JUDY CORNWELL in E. A. WHITEHEAD'S OLD FLAMES. "AN ELECTRIFYING ..." LAST 2 WEEKS ...

CAMBRIDGE. 836 6056 ... Wed. and Sat. at ... LONDON'S ... FAMILY MUSICAL. THE BLACK MIKADO. "Best Musical 76 & ..."

CASINO THEATRE. LAST WEEK—must ... Tonight 7.30, tomor. ... DANNY LA RUE. "Blazes a glamorous ..." in QUEEN DANIELLA. "Big flashy comedy." ...

COMEDY. 930 2578. ... March 15 at 8.01 ... ADAM FAITH in CITY SUGAR by Stephen Poliakoff. "SCATHINGLY BRILLIANT." ... "DAZZLING." Evening ...

CRITERION. 930 3216. ... 8.15. Tomor. 5 & 8.15 ... ROSENCRANTZ AND GUILDENSTERN ARE DEAD. "I strongly ... to anyone." Fin. Times ...

CRITERION. 930 3216. Previews from Tues. ... 24 at 7. Subs. ... ANTON RODGERS ... and NICOLA PAGETT in GASLIGHT. THE WORLD FAMOUS THRILLER.

DRURY LANE. Evgs. 7.30. Matinees W... MICHAEL CRAWFORD in BILLY. A NEW MUSICAL. "MICHAEL CRAWFORD A WHOPPING WONDERFUL STAGE STAR" ... the World. "HE AND HIS SHOW ARE A TREAT." Sunday Express.

DUCHESS. 836 8243. ... Fri. Sat. 6.15 ... OH! CALCUTTA! NOW IN ITS 7th YEAR. "Breathtakingly Beautiful." ... "The Nudity is Stunning" ...

DUKE OF YORK'S. 836 5122 ... Th. & Fri. and Sat. 5.30 and 8.30 ... LESLIE PHILLIPS, ROY KINNEAR ... "Two of the funniest men of the British Stage. Laughs come ..." ROGER'S LAST STAND. OVER 150 PERFORMANCES.

FORTUNE. 836 2238. ... Fri. at 8. Thurs. & Sat. ... An Enchanting Musical. THE LADY OR THE TIGER. "A JOYOUSLY GOOD SHOW" ... "ENCHANTING MUSIC" ... FUL ENTERTAINMENT" ...

GARRICK. 01-836 4601 ... Mat. Wed. 3.00. Sat. ... RICHARD BRIERS ... ABSENT FRIENDS. "ALAN AYCKBOURN'S FUNNIEST PLAY." H. Hobson ...

GLOBE. 437 1592. ... Mat. Wed. 3.0. Sat. ... TONY BRITTON, PETER BLYTHE ... THE CHAIRMAN. A Comedy by PHILIP MACKIE. "Most enjoyable ..." "Wickedly revealing comedy" ...

GREENWICH. 858 7755. ... Mat. Sat. 2.30. THE ... JONES plays Irving's role ... brilliantly." Observer.

GREENWOOD LONDON BRIDGE. Until May 22. Evgs. 8.0. Mat. Sat. 4.30. Festival du Theatre Francais. BECKETT now: then Arabal. Simultaneous Translation. Details 403 0592.

WINDMILL THEATRE. 437 6312. PAUL RAYMOND presents LET'S GET LAID. Twice nightly at 7.00 and 9.00. 2ND SENSATIONAL YEAR.

CINEMAS

ART GALLERIES

CLUBS

GARGOYLE. 69, Dean Street, London, W.1. STRIPTEASE FLOORSHOW. SEX UNLIMITED. Show at midnight and 1 a.m. Hostesses. Monday-Friday. Closed Sat. 437 6455.

COMPANY NOTICES

ANGLO AMERICAN CORPORATION GROUP

ORANGE FREE STATE GOLD MINING COMPANIES

DIVIDENDS

NOTICE IS HEREBY GIVEN that dividends have been declared in South African currency, payable to members registered in the books of the under-mentioned companies at the close of business on 26th March, 1976, and to persons presenting the relevant coupons marked "South Africa," detached from share/stock warrants to bearer.

The TRANSFER REGISTERS and REGISTERS OF MEMBERS will be CLOSED in each case from 27th March to 9th April, 1976, both days inclusive, and warrants will be posted from the Johannesburg and United Kingdom offices of the transfer secretaries on or about 13th May 1976. Registered members paid from the United Kingdom will receive the United Kingdom currency equivalent on 4th May 1976 of the rand value of their dividends (less appropriate taxes). Any such members may however elect to be paid in South African currency, provided that the request is received at the offices of the transfer secretaries in Johannesburg or in the United Kingdom on or before 26th March 1976.

Holders of share-stock warrants to bearer are notified that the dividends are payable on or after 14th May 1976 upon presentation of the respective coupons (marked "South Africa") at the offices of Barclays National Bank Limited, Stock Exchange Branch, corner Main and Sauer Streets, Johannesburg, South Africa; Union Bank of Switzerland, Bahnhofstrasse 45, Zurich, Switzerland; Crédit du Nord et Union Parisienne, 6 & 8 Boulevard Haussmann, 75009 Paris, France and Banque Bruxelles Lambert, 2, Rue de la Regence, 1000 Bruxelles, Belgium only. Coupons must be left at least four clear days for examination.

Proceeds of dividends in respect of coupons marked "South Africa," may, at the request of the depositor, be converted through an authorised dealer in exchange in the Republic of South Africa into any currency. The effective rate of exchange for conversion into any such currency will be that prevailing at the time the proceeds of the dividends are deposited with the authorised dealer in exchange.

The effective rate of non-resident shareholders' tax for all the under-mentioned companies is 15 per cent.

The dividends are payable subject to conditions which can be inspected at the head and London offices of the companies and also at the offices of the companies' transfer secretaries in Johannesburg and the United Kingdom.

Name of company (each of which is incorporated in the Republic of South Africa)	Dividend No.	Coupons marked "South Africa" No.	Rate of Dividend per share/unit of stock
Free State Geduld Mines Limited	38	39	120 cents
President Brand Gold Mining Company Limited	42	44	105 cents
President Steyn Gold Mining Company Limited	42	43	40 cents
Welkom Gold Mining Company Limited	38	—	12.5 cents
Western Holdings Limited	42	—	185 cents

Notes:

As a consequence of the fluctuation in the price of gold on the free market and the varying proportions of gold taken into South African Reserves and of gold sold on the free market, the average price likely to be received by gold mining companies and the overall earnings for a financial year are difficult to predict. Shareholders are reminded that the level of interim dividends has been brought closer to actual earnings in the six months' period, taking account of estimated tax, capital expenditure and the financial needs of the companies. It follows that the interim dividends now declared are not to be taken as an indication of the final dividends.

By order of the Boards
For and on behalf of
ANGLO AMERICAN CORPORATION OF SOUTH AFRICA LIMITED
London Secretaries,
D. H. J. Pattison.

London Office:
40, Holborn Viaduct, EC1P 1AJ.
Office of the United Kingdom Transfer Secretaries:
Charter Consolidated Limited,
P.O. Box 102,
Charter House,
Park Street,
Ashford, Kent. TN24 8EQ.
11th March, 1976

HARMONY GOLD MINING COMPANY LIMITED
(Incorporated in the Republic of South Africa)

DECLARATION OF DIVIDEND NO. 40

Notice is hereby given that Dividend No. 40 of 30 cents per share has been declared payable to shareholders registered in the books of the company at the close of business on 26th March, 1976.

The dividend is declared in South African currency and the rate of exchange at which the dividend will be converted into United Kingdom currency for payment of the dividend from the office of the London Secretaries will be the telegraphic transfer rate of exchange between Johannesburg and London ruling on the first business day after 27th March, 1976, on which foreign currency dealings are transacted.

On or about 10th May, 1976, warrants will be despatched by the share transfer office in Johannesburg to addresses in Africa south of the Equator and from the share transfer office of the London Secretaries to addresses elsewhere. Unless instructions, which will necessitate an alteration in the office from which payment is to be made are accepted by the company on or before 26th March, 1976 payment will be made in accordance with existing instructions. Any request by shareholders for a change in the office of payment from within to outside the Republic will require the approval of the South African Exchange Control authorities. Other changes of instructions to apply to this dividend must be received by the company not later than 30th April 1976.

In terms of the South African Income Tax Act No. 58 of 1962 (as amended), Non-Resident Shareholders' tax of 15% will be deducted by the company from dividends payable to shareholders whose addresses appear in the share register of the company as being outside the Republic of South Africa on the date on which the books are closed for purposes of the dividend.

The register of members will be closed from 27th March to 4th April, 1976, both days inclusive.

By order of the Board
RAND MINES LIMITED
Secretaries
per A. H. Knoesen

Office of the London Secretaries:
Charter Consolidated Limited,
40, Holborn Viaduct,
EC1P 1AJ
United Kingdom Registrars and Transfer Agents:
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هكذا من الأصل

The Chairman

by B. A. YOUNG

Chairman, like the ...hat George and Margaret, ...er seen in Philip Mackie's ...y. All the characters but ...ork in his public relations ...ment; the odd one out is ...lustrial psychologist. This ...hired to report on the ...sation, interviews in turn ...rector and Assistant Direc... PR, the ambitious new ...he Editor (or Editress) of ...house journal and the ...ment's secretary. They all ...s their disapproval of the ...nd its chief, and the psy...ist reacts with a report of ...agreement with them. He ...mends a six-month period ...downward criticism but ...pward criticism. The chair... cunningly passes this for ...nentation within depart...

...this in Act One. Act Two ...the process in action; but ...tion is subordinate to the ...story-line of the act, which ...with office politics and ...demonstrating the ...'s two conclusions: one, ...public relations is an ...se in hypocrisy; and two, ...he hope of promotion is a stronger urge than self-respect.

There are quite a lot of good office-jokes in the play; if all the jokes were as good as the best of them we should have a pretty good comedy. The development of the plot is almost entirely confined to Act Two, but as Act Two is the one we remember as we go out into Shaftesbury Avenue the author may hope to get away with this.

The acting, under Gareth Davies' direction, achieves the needed quality. Peter Blythe, as the man who actually believes in PR, provides a splendid fountain of quasi-technical jargon, emphasising every accented syllable with a hammer-blow of his fist or a prod of his forefinger. As the Director of Public Relations, Tony Britton is away in America for most of the first half of the evening, but on his return he is the very essence of deceitful smoothness. The remaining characters are only useful stereotypes with little call to pretend to anything more.

The open-plan office, full of trendy expensive furniture but somewhat curious in its geographical layout, is by Stuart M. Stanley. How many doors are there in the Director's room?

...ent Garden

Verdi Requiem

...ing stifled regrets over the ...opera La Scala failed to ...to London to match ...t Garden's three for Milan, ...entered on Wednesday's ...Requiem (the single-per...nce substitute, conducted ...he theatre by Claudio ...o) with a sense of occa...

...he disappointment of the ...stern, mostly hard-urged ...t of the music that fol... it was still possible to ...te out the purely Italian ...ures: the robust, full...ed style of the chorus, ...ating a much more vibrant, ...coloured tone than our ...English choirs that yet ...fuzzed up (the altos ...ed, in the best sense, like ...d of Barbieris, Pederzinis ...Cloë Elmos): the less ...ed and tapered but never ...iplined orchestral timbres ...ich was notable the tang ...zen brass and reedy winds, ...to fine dramatic eloquence, ...the overriding want of ...ion, meditation, and ...dness in the performance ...be blamed on the con... This was a surprise all ...eater for having been con...ted by Abbado's operatic ...capable of true grandezza ...lich intimacy and subtlety combine. Here he seemed to seek only dramatic urgency, chopping pauses between movements, firing out instrumental effects with cannon dispatch, seldom indulgent to the needs (happily few) of human singers. In the "Lux aeterna," the majestic restraint of the mezzo Christa Ludwig (superb in vocal bearing, in the laying out of the lines, despite a now constant threat of edginess to the tone) promised marvels; but the movement was over before, apparently, it had begun.

In the solos, balance was more likely to be restored, notably by Miss Ludwig and the tenor, Veriano Luchetti, heroic, sensitive, excellently well-tuned, incisive in diction. Ruggero Raimondi tended at the start to spread his noble bass a little thickly, recovering care and concentration in the "Offertorio." The soprano, the vastly improved Katia Ricciarelli, floated some beautifully gleaming, easy, well-focused sounds (along with others that still needed surer pinpointing of pitch), and most of all the soloists, attempted to establish the note of supplication that the spick-and-span, north-of-the-Alps musical direction appeared all too often to ignore.

MAX LOPPERT

Cheltenham Festival

...32nd Cheltenham Inter...al Festival of Music, from ...-11, will pay tribute to the ...d work of two great musi... who died last year and will ...ate in music the birth of ...merican nation.

...ith the death of Sir Arthur ...said the festival director, ...Manduell, in London this ..."we lost not only a vital ...enerous president but also ...mendous and constant ...of inspiration. He ...thened it in innumerable ...and never more than by ...ncouragement to young ...ans."

...opening concert on July 2 ...es music by Bliss and ...l., played by the BBC ...rn Symphony Orchestra ...ame Janet Baker as soloist, ...e Nash Ensemble, with ...o Jane Manning, present *The "Revolutionary" Bliss* on July 4.

What was originally planned as a tribute to Shostakovitch on his 70th birthday, will be now a salute to his life's work. His 15 quartets appear in a series of five morning concerts by the Fitzwilliam Quartet, who studied them closely with the composer in Leningrad.

The BBC Symphony Orchestra's concert on July 4 will include music by Ives, Gershwin and Copland and the Harvard-Radcliffe Collegium Musicum will give a programme of American Choral music on July 5.

Other highlights this year are appearances of Alfred Brendel, Neville Marriner and the Academy of St. Martin's, John Shirley-Quirk (giving this year's masterclasses), the Melos Ensemble and the Bournemouth Symphony Orchestra.

Cinema

Do your own thing

by NIGEL ANDREWS

Rendezvous at Bray (A) Minema
Steppenwolf (X) Paris Pullman
Poachers (X) Academy One
One of Our Dinosaurs Is Missing (U) Odeon St. Martin's Lane
Diamonds (A) Carlton
The Gentleman Tramp National Film Theatre

The best film of the week is *Rendezvous at Bray*; and it's also the film one had least expected to see turning up in London. Now five years old, it was written and directed by the Belgian film-maker André Delvaux; and although Delvaux's first film *The Man Who Had His Hair Cut Short* scored a critical hit in London, he has had scant success with his later works. *Un Soir, Un Train* (made in 1968) was given a brief commercial run and then relegated to sporadic appearances on the late-night cinema circuit. His last film *Belle* has not been seen in London at all.

Which is sad, because Delvaux's work is nothing if not individual. Like his other films, *Rendezvous at Bray* creates a world of mystery and bizarre confrontation—a world one would call surrealist if it were more perverse and less gently elegiac than it is—and makes of an odd, elliptical story much more than the *Marienbad*-like exercise in audience-teasing obscurity that the film's plotline might first suggest.

A young pianist (Matthieu Carrière) receives an invitation to an old friend's country villa: but finds on arrival that the friend is away and his only companion for the evening is the beautiful but taciturn serving girl (Anna Karina). Left to his thoughts, he reminisces about his absent friend—their pre-war years of musical (and amorous) rivalry, their contrasting temperaments (Carrière is a remote, lonely aesthete; his friends a dashing young socialite), the eventual separation when one went off to join the army and the other, Carrière, remained behind. Cutting back and forth between past and present (the main story is set in 1917), Delvaux catches the very rhythm of the hero's memories, and shows how a single moment in time can embrace years of remembered experience: how past, present and future can suddenly converge at the same time, sucked into the vacuum created by a broken meeting, a missing presence.

It is a puzzle film, but the pieces are all there for the audience to assemble. Delvaux delights in musical, almost abstract, contrasts of tone: between the dark, brooding emptiness of the villa and the *belle epoque* glamour of the parties and soirées the hero remembers; between the pretty, vivacious girl (Bulle Ogier) for whose favours he and his friend used to compete and the sombre Medusan beauty of the villa's servant girl, to whose charms, come nightfall, the hero finally succumbs. *Rendezvous at Bray* is often — as Delvaux himself admits — more like a piece of music than a piece of film. But it is also an enthralling portrait of a man who cannot exorcise the ghosts of his past; for whom a lifetime's hopes and memories are suddenly compressed into a single evening in a dark, lonely house.

*

Steppenwolf, an adaptation of the novel by Hermann Hesse, is another study in loneliness, another portrait of a man confronting his own past. "This Faust-like and magical story of the humanisation of a middle-aged misanthrope," says the distributors' hand-out (duplicating unabashedly the blurb on the back of the Penguin edition), "was written some 20 years before Hesse won the Nobel Prize for Literature in 1946." In addition to its literary credentials, of course, the book boasts the distinction of having been a gospel for the post-'50s hippy generation: couching its do-your-own-thing philosophy in a story that is a beguiling mixture of reason and revelation, mysticism and simple common sense.

The film's great coup is the casting of Max von Sydow as the hero. Von Sydow's melancholy, lantern-jawed features are perfect for the role of the ageing recluse: the man who cannot reconcile the spiritual and animal parts of his nature (the literal meaning of the title is "wolf of the Steppes") but who learns through his friendship with a girl from a night-club (Dominique Sanda) that it is never too late to turn one's back on pedantry and pessimism, and to try and live life to the full.

Unfortunately, von Sydow apart, the grace and simplicity of the book's message tend to get lost on the screen in a welter of overemphasis and technical conjuring tricks. (Animation, video, freeze-framing are among the techniques liberally used). Screenwriter-director Fred Haines has followed the narrative line of the novel faithfully enough, but the compression involved in turning a 250-page book into a 106-minute film proves too much for him and the last part of the film (the sequence in the Magic Theatre) is so choppy and pyrotechnic that one is unlikely to know what is going on even if one has read the book shortly beforehand. A more imaginative approach to the spirit of the original, and a less strenuous fidelity to the letter, might have resulted in an altogether different and better film.

Poachers comes to the Academy cinema laden with international honours. It won the Grand Prix at last year's San Sebastian film festival and has also been seen and acclaimed at the Chicago and London festivals. In addition, it has the excellent advertisement of having been banned in Spain—albeit briefly—because of its anti-fascist political implications.

I wish I liked the film more. Writer-director Jose-Luis Borau has created a sombre melodrama out of the story of a young poacher (Ovidi Montllor) who meets a girl who has escaped from a reform school (Alicia Sanchez). He brings her back to live with him in the tumble-down inn, on the edge of a hunting forest, which is run by his mother (played by Bunuel veteran Lola Gaos). The mother's possessive jealousy is aroused by the girl's arrival, and so is the wrath of the pompous provincial governor (Borau himself) who has come to the inn with his hunting retinue. When a fifth character turns up to complete the circle—a bandit who was the girl's former lover—the scene is set for a battle of loyalties on all fronts.

In its favour, the film never quite boils over into the histrionic climax that its plot seems to be warming up to. A sombre, enigmatic realism sets the tone, and both the photography (by the excellent Luis Cuadrado) and the performances are suitably cool and measured.

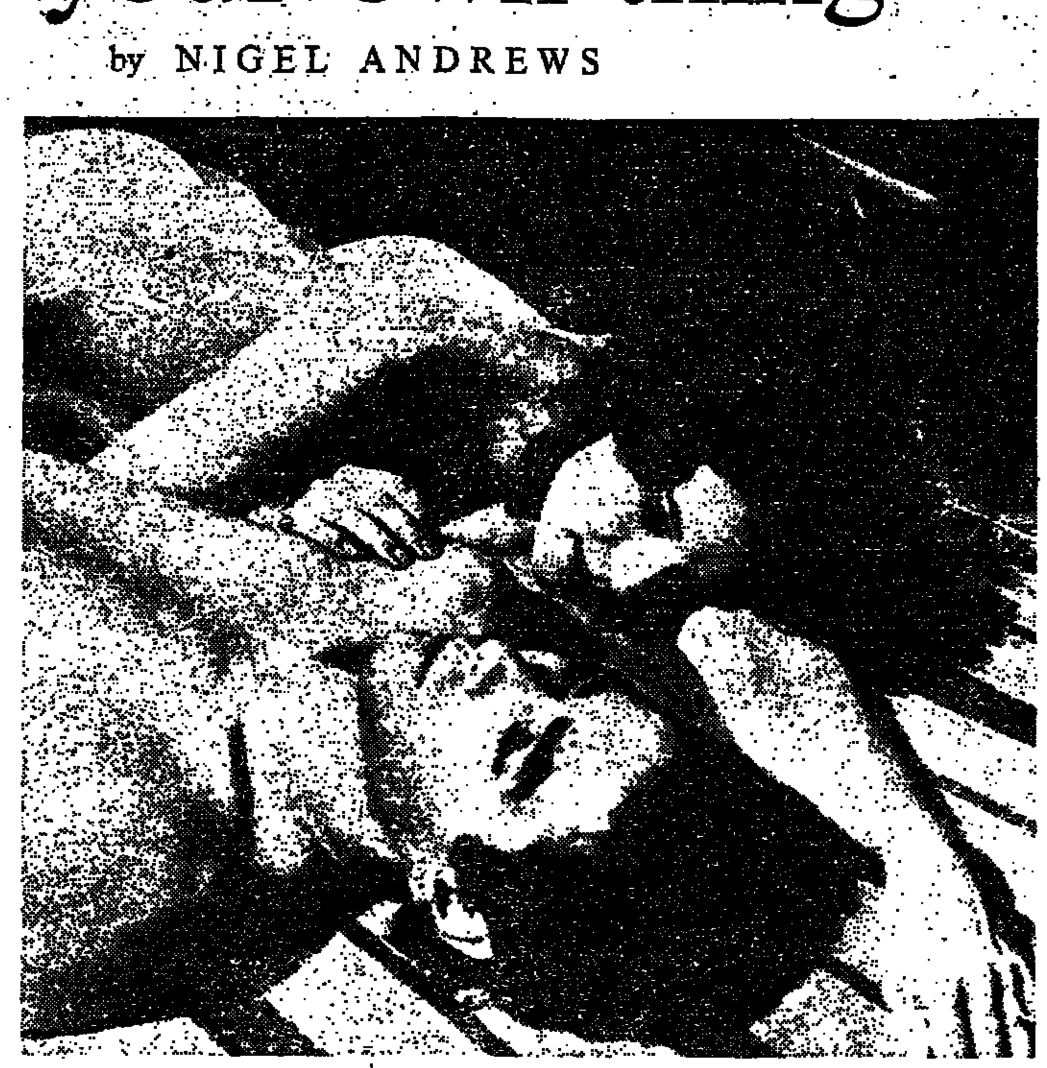
But in the film's disfavour it does seem a peculiarly inert and lugubrious chronicle of provincial passion. Without being able to extract from the film the allegorical meanings that would probably quite come readily to a Spanish audience's mind, it is difficult to know where the story is supposed to be leading us. And if one does hazard a guess at its allegorical intentions—does the governor represent Franco, the mother perhaps the Catholic church?—the film begins to shrivel instantly into a kind of dry, one-dimensional political tract. For all the acclaim that surrounds *Poachers* and its San Sebastian prize-winning predecessor *The Spirit of the Beehive*, hopes that have been lately based on these works of a Spanish film-making renaissance seem to me greatly exaggerated.

The best thing about *One of Our Dinosaurs is Missing* is Peter Ustinov's performance as a corpulent Chinese villain, grinning and croaking his way through the film in a marvellously outsize portrait of Oriental menace. Otherwise, alas, there is little to recommend in this latest Disney caper, which concerns a plot to steal a dinosaur from London's Natural History Museum because the creature is believed to have a microfilm concealed about its person. The pace is slow, the jokes are laboured, and director Robert Stevenson's evocation of period London far less magical than it was in his illustrous predecessor *Mary Poppins*.

Diamonds is a "perfect robbery" film set in Tel-Aviv. Directed by Menahem Golan, it stars Robert Shaw as the leader of a raid on a big diamond repository (owned by his brother, who is also played by Shaw), Richard Roundtree as his negro assistant, and Shelley Winters in an oddly irrelevant part as a busybody tourist. The robbery itself is cleverly conceived and cleverly staged, but the film takes an almighty time building up to it and then sabotages one's interest once it is over by springing a pointless surprise twist in the final reel.

*

Showing on Monday as part of the National Film Theatre's Charlie Chaplin season is an American documentary called *The Gentleman Tramp*. A compilation of excerpts from Chaplin's movies interspersed with news footage and interview material, the film was made by Richard Patterson and provides a delightful companion piece to the NFT's season. (Which continues, incidentally, until the end of March.)



Dominique Sanda and Pierre Clementi in 'Steppenwolf'

Book Reviews are on Page 12

Festival Hall

Leppard

by DOMINIC GILL

Rudolf Kempe was ill, so Raymond Leppard took over the direction at short notice of Wednesday's BBC Symphony Orchestra concert, also broadcast on Radio 3.

It was a programme of favourites, classical and modern—a happy evening, which scaled no great heights of performance, but which left us all, on its relatively modest slopes, still pleased and well satisfied. Perhaps only Debussy' *Three Nocturnes* yielded up less of their magic than they ought—so finespun a dynamic web tolerates only the finest, most discreet articulation. The opening of *Nuages*, otherwise prettily played, never seemed really *pianissimo*, failed to establish a point of reference beside which all the other shades of *piano* in the movement might be judged. *Fêtes* took off into excitement about half way through, after the trumpet trio, exquisitely muted; *Sirènes*, with the women's voices of the BBC Singers, was nicely graded, soft and sweet.

Bloch's *Schelomo* takes a humble place maybe in that list of works—like *Meistersinger* or Elgar's first symphony, *Don Quixote* or *Pierrot Lunaire*—destined either to be dearly loved or dearly disliked. I own to a more-than-sneaking affection for it: turbulent, sentimental music, touched with wistfulness and melancholy, but tough, entirely without schmalz, scored with fine economy, leavened with some splendid tunes. If Leppard never spurred his orchestra in this *Schelomo* to their very grandest expressive purpose, he made it all the same a convincing and well-rounded reading—warmed by Leonard Rose, the cello soloist, with the persuasive nut-brown tone.

The programme ended under Leppard with a clear, unmannered account of Beethoven's Fifth, done with affection and polish; powerfully familiar music, in such a cleanly-drawn and uncluttered performance still a powerful joy to hear.

Coliseum

Mary Stuart

by ELIZABETH FORBES

At the Coliseum on Wednesday the English National Opera production of Donizetti's *Mary Stuart* was revived with three singers, new—or new in London—to the three principal roles. To take the Royal ladies in order of appearance: Margaret Haggart sings Queen Elizabeth with confidence and security. It is the best thing she has so far done with the company, and the music lies naturally, and therefore comfortably, for her voice. In the first act she has moments of petulance instead of rage, but by the time she confronts her rival Mary Stuart at Chatsworth, she has dug deep enough into the character to produce an impressive amount of hatred, spite and jealousy. She also vividly conveys Elizabeth's indecision before the signing of the warrant for Mary's execution.

Sarah Walker has already sung the title role on tour. She composes a portrait of the Queen of Scots that, though less overtly full of pride than Janet Baker's interpretation, is still unassailably convinced of her own innocence and righteousness. Miss Walker sings Mary's first aria, the evocation of her former happiness in France, with lovely gentle tone and fine-spun line. Her voice is occasionally too soft-grained to tell in the ensembles, but in the confrontation with Elizabeth she turns on her tormenter with great dignity. She varies the long scene with Talbot skilfully and is moving in her final prayer and farewell to Leicester.

David Rendall makes a sympathetic Leicester, bringing just the right air of honesty—of naivety almost—to the character that Donizetti's Robert Dudley—though not history's—seems to radiate. His lyrical, well-produced voice, with its strong top register, ensures that he has no difficulty with the higher range of his music, though some of the lower-lying phrases could be projected more firmly.

John Tomlinson's resonantly sung Talbot and Christian du Plessis' foxy Cecil are familiar and accomplished characterisations. John Copley's production, rehearsed by David Ritch, is in good shape, while Desmond Heeley's sets and costumes remain as pleasing to the eye as ever. Noel Davies conducts Donizetti's score with care for balance between stage and pit, so the comparative lightness of the voices in the chief roles is not noticeable. Though this is on the whole a very un-Italian performance of a typically Italian opera, it is not at all an unidiomatic reading: in this paradox lies a good part of the tension that lends such excitement and dramatic impact to the production.

Open Space

Sense of Loss by B. A. YOUNG

This short play by Alan Drury, the Open Space's current lunch-time offering, involves three likeable young actors and an exceptional actor, Timothy West, as director. It seems to me a waste of talent.

The young people are engaged in having, or talking about, what one of them defines as "turgid little affairs." They are the kind of characters who have no life at all off the stage; they spring into existence with the first line of dialogue and evaporate with the last.

No point in following the course of these little affairs (not "turgid," but you couldn't expect a girl like Judy to care about the proper meaning of English); they're too little to deserve notice. Sometimes Mr. Drury hints at a Laingian knot, sometimes he allows a think-line like "I'm not going to define myself in terms of you." When I think how the young playwrights assail their elders for an obsession with the little affairs of the middle classes, I can't help feeling they might offer something more valid in exchange.

Diane Aubrey is the weak-willed Sarah; Jan Harvey is the possessive Judy; Paul Gregory (who should scale his voice down to the proportions of the house) is the arrogant, avaricious Peter. I hope one day I shall see them in less evanescent parts.

Friends of the German Cinématheque by RONALD HOLLOWAY

"The Friends of the German Cinematheque" rose out of the ashes of a national cinema that attracted world attention between 1918 and 1933, the creative interregnum period when Berlin was a *Weltstadt* in the full cultural sense of the word. It tried from the very beginning to rescue a tradition of artistic film-making in danger of oblivion by fostering in West Berlin a knowledge and love of the best in cinema history; the result to-day, after a shaky quarter-century in which German cinema has gone through an incubator phase, is the prestige reputation of the Arsenal-Kino on Welser Strasse as a home-made "cinematheque" of the first rank and the home of the International Forum of Young Cinema—which, in turn, has done much for the rebirth of Young German Cinema.

This month "Die Freunde der Deutschen Kinemathek" are showing retrospectives of the cinema of Werner Herzog, Jean-Marie Strub, and Alexander Kluge: three figures who have lent integrity, if not dignity, to the phenomenon of a new cinema already well known to the art houses of London, Paris, and New York. As usual, there is full documentation accompanying the showings, for the Arsenal-Kino under Ulrich Gregor, West Germany's only film historian worthy of the name, doesn't take a step without detailing the reason why. Last month, it was a glimpse into the whys and wherefores of Modern French Cinema (1960-75); before that, there were retrospectives of Edward G. Robinson films, Wim Wenders and Theo Angelopoulos, and the period "When the War Came to an End" (1946-50); and earlier for those who like discussion on the side, seminars on Film and Politics, Women Film-Makers, and the Avant-Garde Film ("The Art of Vision": Eisenstein/Brakhage) opened up new perspectives to the seventh art. The Arsenal has a reputation here akin to the Cinémathèque Française, the British Film Institute, and the Museum of Modern Art, those bastions of film culture in other world capitals.

Five years ago, the Arsenal-Kino took on the Forum of Young Cinema as a non-competitive adjunct to the Berlin Film Festival: it became "a festival within a festival" similar in tone and fare to the Directors' Fortnight at Cannes.

The Forum was successful enough to draw the attention of a core of dedicated critics who preferred the independent, challenging film to the overly commercial motion picture, particularly because the "Friends" continued the fortuitous habit of a thematically oriented programme that included film history if necessary and the neglected documentary film wherever possible.

Five years of progressive planning by Ulrich and Erika Gregor, Heiner Ross, Wolfgang Roth, Manfred Salzgeber, and a staff of informed, often sharply intuitive translators and reviewers brought further consequences: the "Friends" became a clearing-house for "film-club" information and rentals and the Arsenal-Kino itself a model for a string of "off-Kudamm-Kinos" around the centre of the city and on the outskirts (Salzgeber's Bali and Tali); other prominent festivals (Locarno in particular) took note of the Forum competition, insofar as festival critics are concerned, and learned to book films and directors in advance, thus making it tougher for the Forum to plan a programme without fear of cancellations (the Forum offers no prizes); and a circuit of art houses sprang up around West Germany—Walter Schobert's Kommunales Kino in Frankfurt (supported by the city) and the Filmforum Duisburg, for example—with documentation borrowed directly from the "Friends."

Thus, the audience of young enthusiasts was ready and waiting when Herzog, Wenders, Fassbinder, Kluge, Straub, Sinkel, and Syberberg came calling with wares of a peculiar nature.

The "Friends" (inclusive of the Arsenal, the International Forum, and the Deutsche Kinemathek) now stand at a cross-roads. The movement has expanded in so many directions that a consolidation of efforts and talent is necessary to accomplish the immediate goals, let alone the distant ones (a film education movement in the schools is on the horizon). Many see an answer in the joining of the Forum to the Berlin Film Festival after Dr. Alfred Bauer's retirement at the end of this year, a possibility that could become a reality if the Berlin Senat shortly opts for a key role for Gregor in the management of the overall festival.

Others contend that state and city support is unavoidable in the near future, for the "Friends" are as integral to the West German cultural scene as the Schaubühne am Halleschen Ufer in theatre (the Berlin ensemble relies to some extent on film perspective in moulding unique, critically successful productions of late): it makes little difference whether it comes through the film festival or otherwise (although Gregor's candidacy for the job of director has received almost unanimous support by the country's leading film journalists).

One fact is a certainty: New German Cinema has made it practically on its own, with only an intimate, devoted company of supporters, and will continue to swim up-stream to greater renown in the future.

WORLD TRADE NEWS

Jeddah port surcharge raised

By John Wyles, Shipping Correspondent

BRITISH SHIPPING lines operating into the Saudi Arabian port of Jeddah have imposed a 90 per cent. congestion surcharge following the withdrawal of priority berthing facilities by the Saudi authorities.

The U.K. Red Sea conference lines are now anticipating delays of up to 120 days in landing cargoes because of Jeddah's inability to cope with Saudi Arabia's mounting import requirements.

Priority berths gave the conference lines a slight advantage in that their ships were subject to about 80 days' delay. But the Saudi's have apparently decided, without prior consultation with the lines, that allocating privileged berths meant longer delays for all other shipping and now claim that a "free for all" will mean average delays of about 90 days. The U.K. lines are sure, however, that delays will be longer.

The surcharge for Jeddah, at 55.12 per cent., already stands at a record level and the increase coming into effect next Monday will substantially increase Saudi import costs. U.K. conference lines operate three sailings in three weeks to Jeddah, whose port management was taken over at the beginning of February by the British company Gray Mackenzie.

● Saudi Arabia has granted an operating license to a new company, Marine Transport International of Jeddah in which Manchester Liners, a partially owned subsidiary of Furness Withy, has a 24 per cent. stake. Chairman of the *new company will be Sheikh* Fahd Mohamed Alireza, whose family group Reza Investment, will have the majority holding.

HK mass transit loan guarantees

HONG KONG, March 11.

THE LEGISLATIVE Council has approved a resolution raising Hong Kong Government guarantees on loan arrangements for the mass transit railway.

The maximum guarantees for export credits to finance contracts placed in Japan were raised to Y34bn. from Y10bn., in West Germany to DM41.5m. from DM20.5m., and in Sweden to Kr.56m. from Kr.24m., while the maximum for loans arranged by Wardley to finance local contracts was raised to SHK570m. from SHK470m.

Financial Secretary Mr. Philip Haddon-Cave told the council no amendments were required for France and the U.K. which are covered by buyers' credits.

He added that on March 1 the MTR let a further seven international civil engineering contracts worth SHK2bn. He said additional guarantees will be required for the six remaining local contracts, which are expected to be let by June.
Reuter

Swedish unit for Comecon

By John Walker

STOCKHOLM, March 11.

FIVE NORTHERN Swedish forestry industry concerns have formed a joint sales company to market their product in Comecon countries. The new company—Lasotex trading—will officially start trading on March 15. The five companies behind the project are Ari, Bruks Mekaniska, Iggesunds Bruk, Trima and Utec.

Between them they can provide complete installations such as saw mills as well as "know-how." One of the problems when dealing with Comecon countries is that involved with currency. Small companies also have problems when there is a question of a barter deal and the joint venture is designed to make it easier for them. The new five-year programmes in Poland, Czechoslovakia, Bulgaria and Romania all forecast a demand for equipment for the forestry industry.

Export awards

Financial Times Reporter

The five winners of this year's Export Award for Smaller Manufacturers were announced by the Earl of Limerick, President of the Association of British Chambers of Commerce and a member of the British Overseas Trade Board, at a presentation held in London yesterday. The Award winning companies are: Concargo, manufacturers of temperature-controlled insulated containers; Crewe Chemicals, manufacturers of herbicides and surface-active agents for the textile industry; Jet-Lube Lubricants, manufacturers of specialist greases and jointing compounds for the oil drilling industry; Mechema, manufacturers of inorganic chemicals, and Arthur F. Organ (Packaging Machinery) manufacturers of automatic weighing and counting machines, associated packaging machines for filling boxes and electro-magnetic paralleling of associated components.

Japan's exports recovery may falter, bank warns

BY CHARLES SMITH, FAR EAST EDITOR

TOKYO, March 11.

JAPAN'S NEW export boom, which has been widely billed as providing the answers to the country's domestic economic problems, is patchy and could fizzle out before it has produced a genuine recovery from recession, according to a report just published by Mitsubishi Bank.

Mitsubishi quotes figures which show that although exports, and particularly advance export orders have begun to pick up recently, most of the recovery is concentrated on the U.S. market with rather weak performance by Japanese exports in areas such as the Middle East and South East Asia. The bank also emphasises very strongly that the export boom which Japan began to experience a month or so ago, was confined to consumer durables and has yet to spread to heavier items such as steel, chemicals and ships.

The detailed picture presented by the report runs roughly as follows: Japan's exports to the U.S., which were running far below the levels of the previous year during much of 1975, turned the corner around the end of the year and were up 16 per cent. in January. In the same month there were also very sharp rises in exports of cars (up 53 per cent. on a year ago) and TVs (up 81 per cent.). But these two items were overwhelmingly concentrated on the U.S. market with 70 per cent. of car exports and 60 per cent. of TV sets going to the U.S.

The import demand for consumer durables in the U.S. was exceptionally strong early in the year, the bank says, because inventories were being built up after a long decline in 1975. Actual sales, however, are doing less well—for example sales of Japanese cars in America in February were 10 per cent. below the level of a year ago. So the question arises how long an export boom based on inventory increases can be maintained.

Mitsubishi Bank says the test of Japan's export recovery will be whether or not capital investment begins to pick up strongly enough in America in a few months' time to produce a real recovery in demand for heavy exports such as steel and chemicals. If this fails to happen the early 1976 export boom could peter out, the bank warns. A previous occasion on which Japan's exports started to recover sharply but then lost ground again was in the 1958 recession when Japan enjoyed a sharp recovery of textile, radio and miscellaneous exports, mainly to the U.S., which collapsed in the following year.

Looking at the export situation in markets other than the U.S. and in commodities other than consumer durables, Mitsubishi Bank paints a rather depressing picture. Japan's exports to the Middle East were up 8 per cent. in January over a year ago, but this was a far smaller increase than at any time in 1975. Exports to the Middle East in the first quarter of last year were running 147 per cent. above the level of a year earlier, while in the succeeding three quarters the increases were 88 per cent., 57 per cent. and 23 per cent. respectively.

Japan's exports to South East Asia, which at one time overtook the U.S. as its largest single overseas market, were actually down modestly in January. Sales to Communist countries, which were very strong in the early part of 1975, were down in the same month by 15.9 per cent. from a year earlier.

The big three Japanese export commodities — chemical, steel and ships—showed falls of 31.7 per cent., 31.8 per cent. and 23.2 per cent. in January, compared with the previous year.

Mitsubishi does not specifically say that Government officials have been wrong in predicting that Japan's economy will undergo an export-led recovery. This prediction could turn out to be right in the end, it is conceded, if only because Japan appears incapable of generating any forces for recovery from inside the economy. However the bank's assessment does appear much less optimistic than several recent statements by officials. It conflicts particularly strongly with a forecast made yesterday by the Minister of International Trade Mr. Toshio Komoto that the economy could be expected to be well on the way to recovery by early summer as the result of rising exports.

World Car Markets

Japan leads U.S. imports

FINANCIAL TIMES REPORTER

THE SHARP decline in German car sales in the U.S., apart from the "specialist" Mercedes-Benz and BMW models, has intensified so far this year.

Although the first two months are not necessarily a guide to the full year, the detailed sales figures for January and February show a big fall for Volkswagen, Audi, Ford Capri and Opel. Toyota and Datsun showed much smaller declines, while Honda, the fastest-growing Japanese importer, increased its sales substantially.

LEADING U.S. IMPORTS

	Jan.-Feb. 1976 units	Jan.-Feb. 1975 units
Toyota	42,252	45,101
Volkswagen/Audi	35,440	61,074
Datsun	34,264	34,385
Fiat	9,009	14,243
Honda	19,167	12,372
British Leyland	8,911	9,298

The conventional small car market is thus tending to be increasingly dominated by the Japanese. An indication of the change is General Motors' decision to import from its Japanese associate a new small car to be known as the Opel Isuzu; it will be introduced next month by selected Buick dealers.

British Leyland, because of its concentration on sports cars and luxury models, is in a relatively strong competitive position. It made a deliberate decision to phase out the Marina (sold under the Austin name in the U.S.) and in the first two months of this year sales of this model amounted to less than 400 units, compared with over 3,000 in the same period of last year.

This was offset by considerably larger sales of Triumph and MG sports cars and of Jaguar models, so that the overall BL figure was only slightly down on last year.

Canada, EEC talks opened

BY ROBIN REEVES

BRUSSELS, March 11.

NEGOTIATIONS ON a long-discussed framework agreement to strengthen economic and commercial co-operation between the European Community and Canada were formally opened here to-day.

In opening statements, both sides found themselves in agreement on the essential objectives of the negotiations and on the overall shape the final agreement should take.

The aim is to create a new type of non-preferential economic co-operation agreement to help promote the development of European and Canadian industry, industrial technology, new market and new jobs, and joint operations in third countries. The main instrument for promoting these activities would be a joint co-operation committee with specialist sub-committees which could meet at as high as ministerial level.

There is some sceptism on both sides of the Atlantic as to the value of such an accord between two sophisticated industrial areas. However, Canada sees value in a contractual link, with the Community which will make it less dependent on the U.S., while the EEC has an eye on securing reliable access to raw materials, notably uranium, non-ferrous metals and forest products.

It is also hoped the accord will help to reverse the recent decline in trade between Canada and the EEC. In 1974 Canada only accounted for 11 per cent. of the Community's total trade as a percentage of the whole.

At the opening of the negotiations, the Community was represented by Mr. Eamonn Gallagher of the Brussels Commission's external relations directorate. Canada was represented by Mr. Michel Dupuy, assistant Under-Secretary of State for External Relations. The negotiations will begin in earnest on March 23.

A Special Correspondent in Ottawa adds: Mr. Pierre Trudeau's Canadian Government wants what it calls a "contractual link" with the Community as the most ambitious application yet of Ottawa's policy of diminishing Canadian dependence upon the U.S. It expects to conclude a framework agreement for economic and commercial co-operation.

Subsequently that could lead to joint ventures, in particular in the energy field, between the Government-owned oil corporation, Petrocan, and energy companies in the Community.

For that to happen, however, certain complicating factors would have to be overcome. Canada at present applies a dual pricing system to crude oil, keeping the price per barrel on the home market some $3 (about £1.50) below the world price. That has aroused the suspicions of several Community members. But in fact the Canadian oil price has been allowed to rise towards world levels, so that this particular problem is self-eliminating.

The Canadian Foreign Investment Review Authority, which has the right to ban direct foreign investment in Canada unless it is found to be in the Canadian national interest, could be a more serious hurdle. Given the mood reigning in Canada, majority control of joint ventures in Canada would have to remain in Canadian hands, and Ottawa would also want to ensure that export commitments do not take precedence over Canadian needs.

The Canadians have been campaigning for a special relationship with the Community since 1972, when the full impact of British membership began to sink in at the Cabinet office. The trade department estimated in 1971 that fully $600m. in Canadian trade with Britain would face new barriers as a result of British accession. Yet the Trudeau Government realised that political opposition was futile and chose instead to applaud and encourage Britain in her bid for membership.

Yugoslavia, Dow near decision

BY A. LEBL

BELGRADE, March 10

NEGOTIATIONS BETWEEN the Yugoslav concern Industrija Nafte (INA) and Dow Chemical for the establishment of a joint venture for the construction of the petrochemical complex at Omisalj on the northern Adriatic island of Krk are near completion. Agreements are expected to be signed by the end of this month. The management of the Yugoslav partner and Yugoslav authorities have already *approved the drafts.*

If it goes ahead the project would be the largest single investment in Yugoslavia. The project value is put at some $700-800m., but because of inflation that could be a conservative estimate.

By comparison, the capital cost of all joint venture projects arranged over the years through the International Investment Corporation for Yugoslavia, an institution sponsored by the International Finance Corporation, amounts to $748m.

The two concerns signed a letter of intent more than a year ago. On that occasion it was stated that the petrochemical complex would be constructed in several phases (stretching from 1976 to 1982). It would begin with plants closest to the market, subsequently integrating backward to basic hydrocarbons. It would consist of facilities for plastics, monomers and hydrocarbons. The first plant was scheduled to begin production in 1979 and the last, the ethylene plant, in 1982.

The following capacities are envisaged: 400,000 tons of ethylene, 180,000 tons of propylene, 120,000 tons of C 4 fractions, 180,000 tons of benzene, 150,000 tons of ethylene dichloride, 200,000 tons of vinyl chloride, 200,000 tons of styrene, 240,000 tons of ethyl-benzene, 50,000 tons of high density polyethylene and 70,000 tons of low density polyethylene. Another 180,000 tons of ethylene dichloride would be imported from Dow Chemical. These capacities taken with Yugoslavia's existing chemical output, exceed the needs of the Yugoslav economy. A large part of the output will be exported increasing INA's foreign exchange earnings to $150m. a year.

Plant processes will be based on Dow technology and the whole project will be linked with Dow operations in Western Europe. In fact, there would be a complex interdependence of the Omisalj petrochemical complex and Dow Europe.

Pakistan seeks debt relief

BY IQBAL MIRZA

KARACHI, March 11.

PAKISTAN IS expected to seek a moratorium on the repayment of its outstanding debts at the next World Bank Aid Pakistan Consortium meeting in May. Officials here suggested that until the objectives of specific development loans were attained, there should be a moratorium on their amortization and interest payments.

This country pays almost half of what it receives from the consortium annually as debt servicing charges. It is facing a "terrible" shortage of foreign exchange which is holding back several projects of far reaching consequence both in the public and private sectors.

The indications are that Pakistan may unilaterally suspend paying its debts if the consortium refuses to accommodate its demand.

On May 1, 1971 Pakistan had unilaterally imposed a temporary moratorium on debt servicing payments after it had suffered a liquidity crisis in that year. On several occasions the consortium has provided debt relief on a short term basis.

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AMERICAN NEWS

Venezuela expected to borrow heavily

The Venezuelan Government is expected to borrow heavily at home and abroad to finance its $24.4bn. share in the 1976-80 Development Plan approved this week, writes Joseph Mann from Caracas.

The Government will reportedly seek loans from the private banking sector to finance its spending in steelwork, aluminium smelting, hydro-electric power and railway construction.

The private industrial sector is projected to complement the Government's $24.4bn. investment programme with investments of $16.3bn.

Under the development plan the Government is seeking to reduce the country's dependence on the oil sector which accounts for around 80 per cent. of Government income at the moment.

Emphasis in the plan is being laid on the development of the agricultural sector which has for long suffered from neglect by the Government.

Canada constitution difficulties

Renewed attempts to give Canada its own constitution instead of the British North America Act of 1867 have run into difficulties, writes Our Ottawa Correspondent. Mr. Pierre Elliott Trudeau, the Prime Minister, has told reporters that he is prepared to make the matter an election issue if agreement cannot be reached with the ten Canadian provinces. The last attempt to "patriate" the constitution, as the proposal is called in Canada, came to nothing in 1971 when Quebec would not agree to the proposals. The matter has recently been reopened. Unofficial contacts between Ottawa and Quebec appeared to open up the prospect of a compromise in the dispute which, fundamentally concerns the question of who may raise what taxes, and who controls welfare policies.

Bill 22 challenge

Chief Justice Jules Deschenes of the Quebec Superior Court has ruled that ten Protestant school boards of the province may go to court to challenge the constitutionality of Bill 22, the law designed to make French the official language of the province, writes Robert Gibbens from Montreal. The ruling merely upheld the boards' rights to have the matter tested—it was not concerned with the substance of the case. Bill 22 has caused much concern to the English-speaking business community in Montreal. It has also attracted criticism from the Canadian federal authorities in Ottawa, though they have made it clear that they are not prepared themselves to challenge its constitutionality.

Mrs. Peron concedes

President Isabel Peron has given in to pressure from labour, leaving her newest wage and price freeze full of loopholes, UPI reports from Buenos Aires. Mrs. Peron has decreed a 20 per cent. wage increase instead of the 12 per cent. salary rise announced last Friday when the emergency economic plan was launched. She also conceded that a special commission would be set up to adjust salaries in keeping with the cost of living, and that collective bargaining regarding "working conditions" would be allowed. The National Bureau of Statistics reported that in February alone the cost of living rose by 19.3 per cent., giving Argentina an inflation rate of 423 per cent. during the last 12 months.

Soyabean move

The U.S. will take strong and vigorous action against a decision of the European Community that will reduce buying of U.S. soyabeans, according to Mr. William Walker, President Ford's No. 2 trade negotiator, AP-DJ reports from Brussels. He told a news conference yesterday: "We have communicated to appropriate authorities here in Brussels—in the Community—the concerns we have and the objections we see to this decision which was taken by the Council of Ministers. We have communicated our disappointment in the decisions and our intention to react vigorously." Mr. Walker would not say just what President Ford's administration is planning to do. U.S. officials said before the action was decided on Saturday that the case would be taken before the General Agreement on Tariffs and Trade (GATT).

Chicago's Mayor Daley may return as kingmaker

BY JUREK MARTIN, U.S. EDITOR

WASHINGTON, March 11.

MAYOR RICHARD DALEY of Chicago is threatening to upstage next Tuesday's Presidential primary election in the State of Illinois. It is quite possible that the most significant outcome of the voting in Illinois will be to re-establish Mr. Daley as one of the main kingmakers inside the Democratic Party.

The U.S. Presidential Election

There are, in fact, five important contests in the State: President Ford is expected to knock Governor Reagan out of serious contending in the Republican preferential primary and to garner most of the Republican delegates also to be chosen. Messrs. Carter, Wallace, Harris and Shriver are competing in the Presidential preference poll on the Democratic side.

But there is also a contest for Democratic delegates, pitting these four candidates with slates pledged to Senator Adlai Stevenson from Illinois and to Governor Daniel Walker. Finally there is a gubernatorial Democratic primary, matching Governor Walker against Mr. Michael Howlett, the Illinois Secretary of State.

The key battle in all this is that between Mr. Walker and Mayor Daley. The Stevenson slate of delegates is in fact a Daley slate. Senator Stevenson *is not runing for President*, does not even want to be a "favourite son." and has disavowed all connection with the effort. But he was unable to stop Mr. Daley, using his formidable machine, from getting the slates registered on the ballot. Mr. Howlett, too, is Mr. Daley's man.

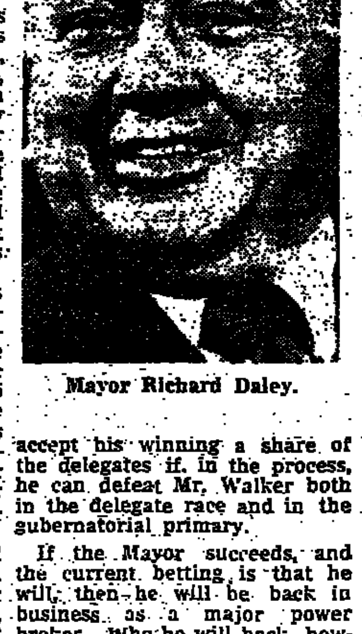
The Mayor and the Governor have been at loggerheads since 1972, when Mr. Walker, considered a rank outsider, upset the Daley machine, largely by campaigning tirelessly all over the State as a reform Democrat and living up his his nickname of "Walkin Dan" Walker.

Relations between the two have gone from bad to worse in the last four years. The Walker strategy as Governor has been to try to go over the heads of the party *establishments*, epitomised by Mayor Daley, directly to the people, which might have proved a brilliantly successful tactic had Mr. Walker not turned out to be far more conservative than his original campaign had suggested he would be. Thus he has alienated not only the party regulars but also a good number of Illinois liberals.

But just as Mayor Daley wants Mr. Walker's blood, so the Governor is determined to wrest control of the state party from the Mayor. Thus, in the Democratic delegates contests to choose 155 Illinois delegates to send to the national convention, Daley is running 152 candidates, technically pledged to Senator Stevenson, and Governor Walker almost as many, pledged to himself.

This has somewhat discouraged the Presidential candidates from getting too involved. Governor Wallace is running 135 delegates, but Governor Carter only 93 and ex-Senator Harris 80. Congressman Morris Udall, though not *campaigning*, has 14 delegates and Senator Jackson precisely one.

Mayor Daley is, by all accounts, so consumed with removing Governor Walker that he has found himself unable or unwilling to offer any encouragement to the Presidential candidates. He dislikes Governor Wallace, but seems willing to



Mayor Richard Daley.

accept his winning a share of the delegates if, in the process, he can defeat Mr. Walker both in the delegate race and in the gubernatorial primary.

If the Mayor succeeds, and the current betting is that he will, then he will be back in business as a major power broker. Who he will back, however, is anybody's guess, though Senator Hubert Humphrey must *have hopes. If Governor Walker* wins, then his support will be critical at the convention, with Mr. Carter having perhaps the best chance of getting it.

AMC cleared of falsifying data

BY JAY PALMER

NEW YORK, March 11.

AFTER THREE months of investigations, American Motors has been officially cleared of filing "deliberately false pollution data," about its vehicles exhaust emissions with the State of California's Air Resources Board.

Following its verdict the board, which is responsible for monitoring and enforcing California's exceptionally tough air pollution laws, rescinded its January order temporarily banning AMC from selling its larger-engined cars in the State.

In January the Board announced that it had become suspicious of AMC pollution reports which showed the company's 1976 V-8 engined cars to be among the cleanest vehicles produced anywhere in the world.

Mr. Thomas Quinn, the chairman of the ASB, said that individual cars were tested by the State and the company's readings were shown to be inaccurate.

California's exhaust emission standards are much the toughest in the U.S., requiring that total pollutants do not rise above half the maximum allowed in other States. Under State law, car makers themselves must give all cars shipped to state a simple "tall pipe" test and stringently test 2 per cent. of all vehicles. Imposing an "immediate" fine of $4.2m. on AMC in January, the ASB ordered the U.S. Attorney and the Federal law enforcement agencies to determine whether AMC had deliberately falsified its test data.

To-day the board announced that "there has not been any finding that AMC was purposefully misleading." A spokesman added that the company had agreed to revise its testing methods.

However, the Board indicated that it was still negotiating with the company over the proposed fine levied of $4.2m. When this penalty was first announced, Mr. Quinn indicated that the Board would consider accepting $1.1m. in cash if the car company agreed to spend the remaining $3.3m. on research into pollution and fuel economy. AMC has protested that the fine is prohibitive and it is now likely to appeal for a reduction on the grounds that it did not falsify data.

Row over US. post cuts

BY GUY DE JONQUIERES

NEW YORK, March 11.

THE U.S. POSTAL service is proposing to cut back the number of business mail deliveries it makes every day in the centres of 10 large Eastern cities, in a further effort to reduce its ballooning operation costs.

From the end of this month nine of the cities, including Washington, Philadelphia and Pittsburgh, will receive only one daily delivery instead of two. In central New York City, service will be cut to two deliveries instead of three from May 17.

The magnitude of the postal service's task in trying to trim overheads is underlined, however, by the fact that, by its own estimates, the cutbacks will save only $3.5m. to $4m. a year. During the current fiscal year, ending in June, the service expects to lose $1.5bn.

Moreover, the new proposals have drawn strong criticism in Congress, which is already up in arms about the service's recent closing of large numbers of rural post offices.

It is feared on Capitol Hill that by reducing deliveries, the postal service will encourage business mail users to switch to other forms of communication, such as telegrams.

End in sight for Aramco talks

PANAMA CITY, Florida, March 11.

TALKS ON the complete takeover of Arabian American Oil Company (Aramco) by Saudi Arabia are continuing but are expected to conclude to-day, Saudi Oil Minister Ahmad Zaki Yamani has said.

The discussions with officials of Exxon Corporation, Texaco Inc., Standard Oil Company of California and Mobil Oil Corporation had been expected to take only three days.

To-day is the fifth day of the talks, indicating that both sides are determined to reach final agreement on a full Saudi takeover before the negotiators leave.
Reuter

Canadian price rises slow down

By Victor Mackie

OTTAWA, March 11.

THE CANADIAN consumer price index advanced 0.3 per cent. to 145.6 in February from 145.1 in January, according to Statistics Canada. This small increase was taken as a good sign.

Between February, 1975 and February this year the total consumer price index advanced 9.1 per cent., registering its smallest 12 month increase in over two years. The food index declined for the third successive month.

The latest monthly decrease in the food index was again largely attributable to lower meat prices, in particular those for beef which on average declined nearly 5 per cent. Anti-inflation Board chairman Jean Luc Pepin warned, however, to-day that there may be a surge in price increases in the next few months as businessmen discover what they are entitled to under the selective pay and price controls programme.

هكذا من الأصل

...ibya 'expels' ...,000 Egyptians

CAIRO, March 11.

...leader Col. Muammar ...has ordered the expul-... 8,000 Egyptians from ...in retaliation for the ...ere of 27 Libyans alleged involved in kidnapping ...nd subversion, official said to-day.

...added that 350 of those ...out of Libya had already ...in Sollum on the ...-Libyan border. It was ...mediately known what ...hey were given to leave. ...ian security authorities ...eek-end announced the ...of seven Libyans on ...of having planned to ...two senior Libyan living in exile in Cairo. ...the arrest was tinged ...rce when the Deputy ...Minister, General Abu-Basha, said the ...aroused suspicion ...they were carrying ...hand luggage contain-...underwear with identical ...

...arrest of another 20 ...was reported to-day by ...official Press, which said ...suspected of involve-...a subversive plot.

...Tuesday the Interior ...said the detained ...had been sent to Cairo ...eks ago to assassinate ...public figures. No ...were disclosed.

...ibyan move followed a ...the official Libyan news ...Arma yesterday which ...ypt had arrested and ...Libyan residents in ...attacked their homes.

"If the Libyan authorities were to follow the same line of action, the Egyptians would receive a heavy blow," the agency added.

According to the Egyptian morning Press, the blow was heavy indeed. Identical reports said the expelled Egyptians arrived at Sollum in a state of "fear, terror and extreme fatigue."

Eight of the arrivals were taken to hospital for treatment for "serious injuries sustained from persecution and severe beatings," the influential Al Ahram said.

The Egyptian community in Libya is estimated at about 300,000, mostly craftsmen and technicians who replaced thousands of Italians expelled in 1970.

The Boumhouria newspaper alleged that Libya was using the diplomatic pouch to smuggle weapons "to all parts of the world where a Khedaffi-sponsored plot is executed." The newspaper said weapons found in the luggage of three Libyans arrested at Rome's Fiumicino Airport last Saturday had been sent by diplomatic pouch from Cairo to Rome.

Libyan embassy officials here declined comment.

Tunis: Libya has expelled 1,357 Tunisians from the country since March 7, the pro-Government newspaper La Presse de Tunisie announced to-day. The Destourian Party daily L'Action condemned this "campaign of hostility" against the Tunisian colony in Libya.

Reuter

Protest spreads in Jordan

RAMALLAH, March 11.

ANTI-ISRAELI protests spread across the West Bank of the River Jordan, with schools closed, mayors quitting and some shops closed in what Arab sources called the worst crisis since the Israeli conquest in 1967.

Military authorities said youths threw rocks at security forces and set tyres on fire in the towns of Nablus and Jenin. Arab sources said Israeli troops fired shots in the air to break up angry crowds in Jericho.

"The Israel military occupation authorities have since the beginning of this year initiated a new phase of repression and terror," the mayors of Ramallah, Albireh and Birzeit charged on Wednesday night in announcing their resignations.

The city councils in the three cities stepped down following the resignation of the mayor and city council of Nablus last week-end. They accused the Government of settling Jews on the West Bank, violating Moslem holy places, and breaking into schools and colleges to beat up students.

● Meanwhile in Tel Aviv the Jerusalem Post newspaper decribed the mass resignations as "the worst crisis" in the West Bank since Israel captured the territory from Jordan. The resignations came after three days of violent anti-Israeli street demonstrations in Nablus.

Extra border police and army troops were on patrol in several West Bank cities as a result of the political developments, Israeli military sources said.

UPI

As Syria's plan for the Lebanon is seriously endangered, **Richard Johns** recently in Damascus reports on President Assad's other problem ...

The options on the Golan Heights

PRESIDENT Hafez Assad faces difficult and severely limited choices in the 2½ months before the mandate of the UN Disengagement Observer Force between Syria and Israel runs out.

On the last occasion when the UNDOF mandate required renewal, Damascus demanded and obtained the Security Council debate on the Middle East at which a draft resolution painfully formulated by the Arabs was vetoed by the U.S. Having pushed the Palestinian debate into the highest international forum in this way, President Assad will have little choice but to do so again and seek to gain more political capital—even to the extent of refusing to approve the continued presence of UNDOF or ordering its removal.

On Wednesday Mr. Yitzhak Rabin, the Israeli Premier, warned him "not to play with fire." For other reasons—not the least Syria's deep involvement in Lebanon and commitment to bringing about a settlement there—President Assad may feel forced to proceed more cautiously than the Left wing of the ruling Ba'ath Party and the Palestinians would want.

One factor in President Assad's mind will be the possibility of another U.S. initiative. He should get some guidance when King Hussein returns from Washington towards the end of March. Despite the veto and Syria's public rejection of the "step-by-step" approach of Dr. Henry Kissinger's mediation, Damascus is still prepared to consider new proposals, and may even be positively anxious for them—if only as a means of helping it to agree to a renewal of the UNDOF mandate. Notwithstanding assertions from official quarters that Syria now considers the Geneva Conference dead, it is not totally ruled out.

U.S. plan

Damascus has not apparently yet heard directly from the U.S. about its plan to explore on behalf of Israel the possibilities of "an end to the state of war" in exchange for Israel surrendering Egyptian, Syrian, and Jordanian territory. However, without American recognition of the Palestinian "national" rights and the PLO, Syria would look askance at the new process (which anyway does not amount to an initiative yet).

In November Syrian insistence that an extension of the UNDOF mandate must be conditional on a special Security Council session on the Middle East was very much an angry reaction to the second Egyptian-Israeli disengagement agreement. As the debate approached, there were some signs of misgivings, and the moderates at least in the Ba'athist leadership may now wonder whether they were right to delay bargaining over a renewal.

Damascus claims "90 per cent. responsibility" for the draft resolution agreed upon by the Arabs and endorsed by the "non-aligned" group. The formulation reflected their disillusionment with the "step-by-step" approach.

Sanctified by the Security Council and therefore, by implication, to be imposed by the superpowers, it attempted to outline a general peace formula which, Damascus hoped, might be accepted by the U.S.: recognition of Palestinian "national" rights (return to the homeland, or compensation) and withdrawal from all the occupied territories, in exchange for the right of every state to live in peace within secure and recognised boundaries.

Having tested the U.S. position, President Assad could be seen to have placed Syria on a shaky and perhaps dangerous limb. When the question of the UNDOF mandate comes up he will have little choice but to resurrect the draft. Speculation in Damascus is that Syria will make renewal of the mandate conditional on the acceptance of the draft vetoed in January. Another U.S. rejection would then mean the end of the UN buffer. That in itself would heighten tension between Israel and Syria. Responding to the domestic pressures President Assad must, at least, consider a campaign of attrition. If it were to escalate into something like outright conflict it could be difficult to say whether Israel or Syria had been responsible. In such a situation, however, President Assad could not now count on Egypt.

Nothing that President Sadat says or does surprises us these days," a Syrian official said in Damascus last week, commenting on the Egyptian leader's assertion in Kuwait on February 29 that his forces would not help Syria if it attacked Israel. President Sadat's assurance of military support in the event of Israel attacking Syria did nothing to assuage the resentment caused by the second Sinai disengagement agreement.

Concern

President Sadat's revelation of a secret undertaking given by the U.S. as part of that agreement that Israel would not begin a conflict was also greeted with some scepticism.

Damascus cannot allow an extreme Left-wing régime to emerge in Lebanon that could drag Syria into a conflict against Israel not of its own choosing.

A parallel military concern lies behind the close détente with King Hussein developed by President Assad and aimed at confederation. So far, however, the rapprochement does not amount to much militarily, and does not guarantee that Jordan would be drawn fully into a war with Israel. Moreover, the Syrians have always believed Iraqi involvement to be essential for success on the eastern front. Yet relations between Damascus and Baghdad are as bad as ever.

Mr. Ahmed Iskander, Syrian Minister of Information, explained that with the second Sinai agreement the "step-by-step" approach had been shown to be a policy which would not lead to peace, but which could destroy Arab unity. In effect it has reduced the extent to which the threat of Arab military force can break the diplomatic deadlock.

The bitter dispute with President Sadat is central to the Syrian predicament, but it is not the only aspect of Arab disunity which must make Syria proceed cautiously. The situation in the Lebanon is another and also a time-consuming preoccupation for the leadership. Six weeks after the ceasefire, with no Lebanese government formed, the danger is growing that Syria will become bogged down there, at the expense of confrontation with Israel.

On the face of it, all these considerations would make Syria seriously consider the risk involved in going too far in provoking Israel. In itself a refusal to renew the mandate would not necessarily mean anything more than increased tension and scope for friction on the ground.

...ulf talks in Angola ...restart production

...ANE BERGEROL LUANDA, March 11.

...A HAS officially acknow-... receipt of royalty and ...nents from the U.S. Gulf ...oration due on its opera-... Cabinda, suspended last ...er during the Angola war ...irect pressure from the ...n State Department.

...brief communique, the ...nent also states that "rep-...ives of the Angola ...nent and Gulf Oil ...are continuing talks ...iew to restoring Cabinda ...ns on a new basis."

...te lengthy negotiations ...h the former Portuguese ...administration and the ...n government last year, ...a formal accord of sorts ...ched on new operating ...r the oil company, giving ...olan state a half share in ...oduction, this agreement ...er been put into practice, ...current talks with the ...mpowered Angolan ...nent representative are ...ently starting from ...original operating agree-...hose broad outlines are ...ly favourable to the oil ..., dates back to Portu-...nomic policy prior to the ...he Caetano regime and ...il, 1974, military coup.

Consequently, negotiations will presumably be covering not only ownership of crude production, but also rescheduling of tax and royalty payments at a higher rate, in line with those practised by OPEC members.

The MPLA has repeatedly denied it has any intention of nationalising the oil company, invoking Angola's dependence upon its oil revenues and the difficulties a national oil company would have in assuring sales of its crude overseas without an accord with one of the world oil majors.

Meanwhile, the Minister for Economic Planning, Sen. Carlos Rocha Dilolwa, outlined Angola's new economic policy at a meeting with banking workers, to explain the new state intervention law. The Minister said the economy would include a state sector, co-operatives and a private sector, and would be "self-centred" in the interests of Angolans, rather than in foreign interests.

He said the biggest companies would come under the state sector while others, mainly agricultural and rural companies would be transformed into co-operatives.

...istralia cautious on ...te share in gas field

PERTH, March 11.

...STRALIAN Minister for Resources and Overseas ...Mr. Doug Anthony, said ...ernment's policy of 50 ...local equity in new ...ents should not be a bar ...pment of the north-west ...Western Australia gas ...

...ld cost about $2bn. to ...project to the point of ...ble to export liquid ...as, and it would be hard ...a 50 per cent. equity in ...roject in Australia, he ...

...ght be necessary to ...the possibility of a ...rcentage of Australian equity if the funds could not be raised in Australia, he added. It was most important to get the project moving.

"While I cannot see any reason for much foreign participation in the development of uranium it would be wrong to be adamant about a 50 per cent. Australian share in the north-west gas field," Mr. Anthony said.

A report and feasibility study on the project from Bocal, the operator for the project, is expected within the next month, he said. The basic engineering studies will cost up to $15m.

Reuter

...panese Lockheed probe

...looking for evidence of ...d in Japan by Lockheed ...of the U.S. raided the ...ubeni Trading house ...for the second time in ...according to a police ...n quoted by Reuter.

...d concentrated on the ...No. 1 Machinery Divi-...h is Lockheed's Tokyo ...olice sources said they ...o seeking information ...ght identify Government ...who may have received ...payments, and ...of possible tax evasion ...on of foreign exchange ...

...of Marubeni, Japan's ...est trading house, have ...y wrongdoing, although ...ny's president and two ...directors have ...

...n in Tokyo

...ssein of Jordan and ...Prime Minister Takeo ...ussed the Middle East ...in a two-hour meeting ...the second day of King ...state visit, AP-DJ ...Mr. Miki said relations ...he two countries were ...that Japan wanted to ...the ties more in the ...spokesman for the ...Ministry said. The ...eeting on Monday is ...to deal with bilateral co-operation.

Amnesty

...Government yesterday ...amnesty for all Omanis ...n the abortive left-wing ...aimed at overthrowing ...of Sultan Qaboos bin ...thern Dhofar Province, which borders South Yemen. Only yesterday, Oman's neighbour, Saudi Arabia, recognised South Yemen, which has been supporting the rebels for many years. A Government statement said the amnesty had been authorised by the Sultan, and would be valid for two months, Reuter reports from Muscat.

Sri Lanka farms

Sri Lanka will end on Saturday trusts under which privately-owned management agencies run several public company-owned plantations, which were nationalised under last October's land reform programme, the Government announced yesterday, writes AP-DJ from Colombo. A spokesman said 153 of these estates, covering 165,000 acres of tea and rubber plantations, are being handed over to the Government-owned State Plantations Corp. The Janatha Estate Development Board, set up by the Government, will run another 230,000 acres, while the Land Reform Commission will hold the balance of 115,000 acres.

East Timor clash

The Fretilin independence movement in Portuguese East Timor said in a radio broadcast yesterday that its guerillas had killed 200 Indonesian soldiers in a raid 60 miles south of Dili, the capital, according to a broadcast monitored by the Australian Post Office in Darwin, reports Reuter. The broadcast said two tanks and three armoured cars were destroyed and many weapons captured in a raid on a camp near Ainaro.

EUROPEAN NEWS

Lardinois attacks EEC ministers over farm policy

BY REGINALD DALE, COMMON MARKET CORRESPONDENT STRASBOURG, March 11.

MR. PIERRE LARDINOIS, the EEC Commissioner for Agriculture, to-day warned that the entire Common Agricultural Policy would fall apart if order was not soon restored to international currency markets. The Common Market in farm goods had just about reached the end of the road, he told the European Parliament here.

In a tough attack on the EEC Finance Ministers, Mr. Lardinois said that their failure to put an end to monetary chaos had reduced the farm policy to a point where the system was "hardly acceptable," and hardly possible to maintain. The Ministers of Agriculture were often attacked for their decisions, he said, but other Ministers took no decisions at all.

Introducing the latest EEC farm price package, Mr. Lardinois pointed out that every percentage point decline in the value of the pound cost the EEC Farm Fund 20m. units of account (about £10m.) in extra monetary compensation amounts. In the U.K.'s case, these mainly involved subsidies on EEC food exports to the British market to compensate for lower returns to exporters as the pound declines.

The decline of the Italian lira would necessitate a supplementary EEC budget of perhaps 150m. units of account this year, Mr. Lardinois reminded MPs. Although there was no formal ceiling on farm fund expenditure, there was a limit to what was politically feasible, he stressed.

Mr. Lardinois's statement came as both Tory and Labour MPs attacked the farm price deal concluded at the end of last week's Brussels marathon. Mr. Mark Hughes, of the Labour party delegation, said it was "curious" that Britain, which had the highest rate of inflation in the EEC, would have to bear the highest rate of increase in food prices.

This would do little to promote economic and monetary union, he argued. Instead of being the "engine of togetherness," the CAP had become the greatest force of division, and national and social disharmony in the Community, he added.

For the Conservatives, Mr. James Scott-Hopkins said he found the arrangements agreed for the dairy sector "unacceptable and idiotic," and Mr. Ralph Howell complained that nothing had been done to end the Community's chronic dairy surplus.

Mr. Lardinois agreed that the dairy arrangements were "not adequate" to solve the milk surplus problem, but he hoped ministers were now on the right path with their undertaking to make dairy farmers partly responsible for the surplus. This could take the form of a levy on producers of 2.5 to 3 per cent. of the milk price, he suggested.

Lord Walston, for the Labour delegation, urged that limits should be set to intervention buying and called for early remedial action in future as soon as surpluses began to appear.

Mr. Lardinois declared to give Mr. Scott-Hopkins assurances that plans to distil an extra 4m. hectolitres of wine into alcohol would not adversely affect producers of industrial alcohol, centred mainly in Britain and Germany. Industrial alcohol was a by-product that cost the producer virtually nothing, and in any case less wine would be distilled this year than last, he replied.

The Commissioner once again sharply criticised Britain, Ireland and Denmark for the high rate of excise duty they levied on wine—roughly six or seven times the amount paid to the producer. He thought that steps would have to be taken to end this "evil" when new wine-producing countries joined the Community—thus ensuring that the impact of admitting new Mediterranean countries did not fall exclusively on France and Italy.

Call for direct Euro elections by 1978

By Reginald Dale

STRASBOURG, March 11.

THE EUROPEAN Parliament to-day formally called on next month's EEC summit in Luxembourg to finalise plans for the Parliament's direct election to start in May 1978.

large majority, was in response to wdespread fears that the summit may not reach agreement, at least partly as a result of political difficulties in France.

Reflecting the line-up of the opposition in France to direct elections, the French Communist representative here to-day attacked the plan as unacceptably "surpra-national." The Gaullists, having announced that they would abstain, left the Chamber before the vote.

The Gaullists finally withdrew their own motion drawing attention to the Rome Treaty's *stipulation that the elections* should be organised according to "uniform procedures" throughout the Community. With no hope of agreeing a common electoral system in the foreseeable future, hard-line Gaullists in France have been trying to use the Treaty as a device to delay the elections indefinitely.

Abstained

To-day's vote *also split* the British Labour delegation roughly down the middle. Half a dozen Labour MPs abstained, either in protest at the federal overtones of direct elections or because of the difficulty of arranging them in Britain by 1978. The remainder voted for the motion, along with the *Liberals, Conservatives, Christian* Democrats and the rest of the Socialist group. The Italian Communists did not vote.

Mr. Schelto Patijn, the Dutch Socialist responsible for the Parliament's own proposals on direct elections, warned that the May 1978 target date would be jeopardised if there was no final agreement at the April 1 and 2 summit. The Parliament would consider that any government that said "No" in Luxembourg had rejected Parliamentary democracy in Europe, he stated.

Bid to revive Chunnel rejected

STRASBOURG, March 11.

THE BRUSSELS Commission has made it clear that it does not think the time is ripe to revive plans for the Channel Tunnel with the aid of EEC funds—*although it still approves of the* project in principle.

The Commission was replying to an attempt to re-open the issue in the European Parliament by Mr. Cornelis Berkhouwer, a Dutch Liberal and former President of the Parliament, with the backing of the British Conservative delegation.

In a boisterous debate in the early hours of this morning, British Labour MPs poured cold water on the idea. The money could be better spent on other projects, for example, the development of Southern Italy, and the need for the tunnel had not been proved, they argued.

According to Mr. Berkhouwer, the tunnel would not add to congestion in South-East England but help to relieve it by allowing *people to move to the Continent.* The issue was no longer up to France and Britain to decide but concerned the whole Community, which had after all *financed the Bosporous Bridge,* he pointed out.

Mr. Berkhouwer did not succeed, however, in pushing through his resolution calling on *the Commission to re-examine* the question. After procedural deadlock developed, with the 10 *MPs still present split five to* five, the vote was adjourned indefinitely.

Soviet boots order

Norvic Shoe has negotiated a contract worth over £½m. from Russia for 95,000 pairs of women's fashion shoes and 25,000 pairs of women's warm lined boots.

Portugal names new assembly

PORTUGAL'S new legislative chamber of deputies, due to be elected *next month,* is to be called the Assembly of the Republic. This was decided last night by a unanimous vote in the Constituent Assembly, which *is drawing up a new Constitution.*

The Socialist Party proposed "Legislative Assembly," the Centrist Popular Democrats "Parliament" and the Communist Party "Chamber of Deputies."

But these suggestions were withdrawn in favour of the "Assembly of the Republic," which was backed by an independent group of deputies.

Reuter

POLITICS IN THE VATICAN

Berlinguer at the gates

BY DOMINICK J. COYLE, IN ROME

THE VATICAN is engaged in a determined campaign to prevent Rome, the City of the Popes, from falling under Communist *domination in the municipal* elections scheduled for June, even though many observers of the Italian political scene would say it is akin to trying to hold back the tide with a sieve.

Following the Communists' sweeping gains in last year's regional elections, Rome is the last of the major Italian cities in which the Communists, either directly or in coalition with other Left-wing parties, do not have a decisive voice. The Vatican is seeking to keep it like that, although acknowledging privately that the odds are not in the Church's favour. The electoral shift is obvious, and indeed any impartial analysis of *recent electoral trends suggests* that the PCI may well, in fact, emerge in Rome as the largest single party next June.

The attitude of the Vatican is prompted *by two main considerations:* firstly, there is a feeling of fairly obvious embarrassment that a city so closely associated with the centre of Roman Catholicism should fall under Communist domination, but an even more important factors, in the view of many top Church leaders, *including,* it is now said openly, the Pope himself, is the need to take publicly "some initiative" to try to reverse the growing *popular feeling* in Italy that the emergence of the Communists as the largest single political partly *following the next national* elections is almost inevitable.

Ugo Cardinal Poletti, the Papal Vicar for Rome, and hence the man seen to be in the vanguard in the counter-attack against the Communists in Rome itself, is on record that it simply is not true that the Communist advance is irreversible. Indeed, he justifise his own direct and open intervention into the political fray by asserting that for the Church to remain silent would be to give credence to the view that not only was the Communist advance incapable of being arrested, but that the Party's growing popular support (as evidenced in last June's regional elections) somehow enjoyed Vatican approval.

Nothing, of course, could be *further from the truth, and the* Italian Bishops' Conference at the end of 1975 came out with an unambiguous declaration that "one cannot be simultaneously *a Christian and a Marxist."* A spokesman elaborated: "the profession of the Christian faith is incompatible with the adherence to or support for those movements which, *even in differing form,* are gased on Marxism.

The Vatican (using the collec*tive sense) picks its words care*fully on most issues, and the italicised qualification here was intended, no doubt, to anticipate any suggestion that Italian Communists are a breed unto themselves untainted with, or at least unimpressed by, the real Moscow-oriented credo.

In fact, of course, the PCI *repeatedly asserts its essentially* Italian character, its commitment to democratic principles and to personal and religious freedom. And it is, he it said, whether by conviction or design, the least anti-clerical of all the Italian political parties, although anticlericalism in Christian Democrat ranks is generally expressed *verp much sotto voce.*

The Communist leader, Sig. Enrico Berlinguer, stressed the Party's respect for all democratic rights and all in*dividual and collective freedoms,* including religious and cultural ones, in his "we've outgrown our Masters" speech to the Soviet Party Congress two weeks ago, *but Cardinal Poletti remains un*impressed. His response was a renewed appeal for vigilance, and he complained of the great confusion generated by the "soft" *attitude of part of the Catholic* world towards Communism. Referring specifically to Sig. Berlinguer's comments in Moscow, he charged that the Party Secretary's words had only "tactical significance."

The Communists, of course, are as well aware as the Church of the essential confusion of the present electoral situation. Roughly one-third of Italian voters now support the PCI, yet the *population is (at least notionally)* almost 100 per cent. Roman Catholic. Church influence over Italian political affairs exercised for so long through the Christian Democrats, is certainly on the wane, yet not many CD deputies *are prepared to take a public* stand in support of any issue—divorce and abortion come *readily to mind—to which the* Vatican is opposed.

Indeed, the Communist Party *itself gives the impression of falling over backwards to avoid* any direct confrontation with the Church and the PCI newspaper, L'Unita, in replying to the anti-Communist statement from the Bishops' Conference, fell back mainly on *some comments in* Pope John XXIII's encyclical, *pacem in terris.* In particular, an editorial noted the passage in the encyclical referring to "meet*ings and co-operation among* the various sectors of temporal order, between believers and non-believers, might offer a chance to discover and honour truth."

Could such "cooperation" even be stretched to cover the so called "historic compromise," the grand design of the Communists to enter an alliance in *government of all the major non-*Fascist parties in Italy?

The Vatican is nowadays critical of the long-ruling Christian Democrats, though it is *rare for it to put it on record.* Cardinal Poletti himself has been fairly forthright of late in one or two interviews. Yet the Church

moves towards more policies, started by Pope when, in his own words, he open the windows of the give no signs of sanction "historic compromise. indeed the present Pope's stration suggests something moving back towards the servatism of Pope Pius

Cardinal Poletti, more forthcoming immediate question of Communists in Governm want to make it clear that if the PCI a government role, it pen not only against the wishes, but against tion." The Pope himself let it be known that he fully the sentiments of of Rome and in particul Communist administrat city would be "unaccep

Unacceptable it may Pope and the Vatican, now a real prospect facing and facing the Christian crats who have dominated politics for 30 years. A Communist victory following the Christian crats' major setback in regional elections and earlier divorce could be the last nail Party's coffin.

The initiative would with the Communists did emerge *as the large* party, or indeed if it was just about equal Christian Democrats. knows (even without the *of Chile* and, in a way, that it cannot rule Italy by *putting together* a overall majority in Par possibly with the Sociali the PCI, *it really* must "historic compromise" or and that Grand Coalition the Christian Democrats the main body of the CI without the Vatican, or the outright condemnatic Catholic Church?

It is unlikely, and in the Italians, regularly, out much of their histo managed to alternate su the Popes and for th enemies. It has never permanent commitment as though the people wish to close off fina options, to make any institution too strong. torate has been giving sc clear lessons of late Christian Democrat Par haps even indirectly Church) that it mus change radically its wa driven from office after It may very well stop of handing the Commun thing like a clear mandat

Swiss Guards at the Vatican.

Further optimism on W. German economy

BY NICHOLAS COLCHESTER BONN, March 11.

BOTH THE West German Economics Minister, Hans Friderichs, and the IFO Institute of Munich to-day provided fresh grounds for confidence in the economic upturn that is unfolding in Germany. The Minister told Parliament that GNP growth this year would be at the upper end of the 4 to 5 per cent. range predicted by his Ministry at the beginning of this year. IFO produced noteworthy evidence of confidence in Germany industry.

The Munich-based Institute published its yearly opinion poll of industry's expectations for turnover, investment and employment in the current year and in 1977. The 270 companies asked expected sales to rise by 9 per cent. this year and by 11 per cent. next year after a 2 per cent. fall in 1975. Their expectation was for a "sustained economic recovery leading to a rather slower rate of long-term growth than they had experienced in the past.

On the other hand industry did not expect the recovery to have much effect on investment or employment until 1977. The companies estimated that they would shed a further 2 per cent. of their workforce in 1976 after last year's reduction of 6 per cent.: only next year would their workforce increase again—by 1 per cent. Similarly gross investment this year was not expected to be up by more than 1 per cent. in real terms, after falling by the same amount last year. In 1977 it would expand by 6 per cent. however.

A year ago this IFO exercise did much to discredit the official Government line that an economic upswing was on the way. This year it confirms the Government's careful optimism. Industry plainly expects the recovery to continue, and its plans for investment and employment will probably be revised upwards as and if its expectations are justified.

Together with his prediction of 5 per cent. economic growth this year the Economic Minister forecast that exports would grow in 1976 by a nominal 10 per cent. and that the year-on-year inflation rate would fall back to between 4.5 and 5 per cent. The GNP deflator would be 4 per cent. He saw an employment problem "into the foreseeable future," predicting that the average unemployment quota for the current year would be 4.5 per cent. and the figure at the end of the year around 4 per cent.

Greek industry policies defended

ATHENS, March 11.

THE GOVERNMENT and Opposition parties have reacted sharply to *criticism* by Greek industrialists of economic policies applied since the restoration of democracy in July 1974.

The Federation of Greek *Industries issued a statement* last Saturday accusing the Government of allowing an obsession with socialism to pervade its decisions on economic *matters and warning that the* country's further industrialisation was being jeopardised by a climate of uncertainty.

The industrialists suggested that for reasons of political expediency, the Government, Opposition parties and the Press have launched a relentless campaign against large Greek enterprises accusing them of reaping excessive gains against the interests of the country. They stressed that they readily accepted the need to pay special contributions in the last two years.

They also claimed that the Government's decision to revise a large number of investment contracts signed during the seven years of military dictatorship has caused a wait-and-see attitude from foreign investors, undermining the country's speedy industrialisation, in view of Greece's application to become the tenth member of the EEC.

Reuter

Carlos sees 'reform' ministers

BY ROGER MATTHEWS *MADRID, March 11.*

THE TWO Ministers in the Spanish Cabinet most associated with democratic reform, Senor *Jose Maria de Areilza, the* Foreign Secretary, and Senor Fraga Iribarne, the Interior Minister, both held unscheduled meetings with King Juan Carlos *yesterday, hightening speculation* that they were disturbed about the structure of the Government and the obstacles placed in the way of the pro*gramme they wish to follow.*

The importance of the talks could be seen from the fact, that Senor Areilza missed the *weekly session of the special* commission set up to elaborate a plan for constitutional reform and Senor Fraga only arrived at the meeting some time after it had begun.

Sources close to the Government report that there is a growing wish among some members of the regime to see Senor *Carlos Arias replaced as Prime* Minister.

Controversy over the composition of the Government has *been increased* by the violence of the past fortnight during which seven workers have been killed during clashes with the police. Some Ministers are also keen to *see the removal of Finance* Minister, Villar Mir, whom they claimed has proved less than successful in his handling of the country's serious economic problems.

Spain's two main opposition groupings, the Democratic Junta, headed by the Communists, and *the Democratic Platform* which brings together the Socialists, Christian Democrats and Social Democrats, to-day issued a joint statement demanding a full inquiry into recent killings by the police and the opening of a constituent period leading to full democratic liberties.

The two organisations stressed *the peaceful nature of all strikes* and demonstrations, adding that tension was caused by the unwillingness of the regime to open up genuine paths for the *participation of all the people in* the political life of the country.

They also asked for the citizens of Madrid to express solidarity with the people of Vitoria, the town where four workers were shot dead by police last week. The regional council from Vitoria held a meeting with the Prime Minister to-day.

The town council of Basauri, where a young man was killed by police on Monday during a demonstration, has also issued a strong statement protesting at *the behaviour of the authorities.* In Madrid, striking workers from the Osram factory have hit on a new device for raising funds. Some 500 of them turned up yesterday outside a hospital to donate blood, for which they receive payment.

British commandos in Norway

BY FAY GJESTER OSLO, March 11.

BRITAIN HAS offered to "earmark" the 3rd Commando Brigade of the Royal Marines for service in north Norway in a crisis, the Oslo newspaper Aften*posten reported yesterday.* The British offer "also includes other measures to strengthen Nato's northern flank," and will be discussed at a meeting here between British and Norwegian authorities to-day and to-morrow, the report said.

The 3rd Commando Brigade, some 5,000 strong, would be given special training for winter warfare, and a condition of the British proposal, Aftenposten *says, is that Norway would make* the necessary additional training facilities available, and possibly agree to build up depots of equipment for the brigade's use *in an emergency.*

The Marines' 45 Commando Group, numbering some 1,200 men, has for some years trained regularly in north Norway—*about two months each winter.* This group is now to be incorporated in the 3rd Commando Brigade, together with two other groups, a staff company, support and supply units and a helicopter squadron.

David Buchan adds: Informed Whitehall sources said yesterday *that the Oslo talks should be seen* in the context of the U.K. defence White Paper of March last year, which, in response to strong Nato representations, *promised that British defence* commitments to Nato's northern flank would be increased. These sources emphasised that the "earmarking" of more British *commandos to northern Norway* would not lead to any increase in defence spending levels already laid down. An announcement of the increased British commitment to Norway is expected in next Wednesday's White Paper.

Yugoslav 'subversion' trials start

By Paul Lendvai

VIENNA, Ma

TWO NEW trials sta week in the Dalmatian of Split and the Bosnia Banja Luke against th nine persons respecti accused of so-called formist," that is pro-So versive activities. Th group also maintained with two other pro-Sov ground centres in B Novi Sad.

In all 26 people are being tried in camera slavia for plotting to the Tito regime. While at Split was officially by the authorities, the ings against the nine tors in Bosnia, who hav touch with Stalinist exiles in the Soviet U

So far the Yugoslav remained silent about th *of charges against the* and about an alleged action programme and of what the plotters Marxist-Leninist Co Party of Yugoslavia." against the chief orga these groups, Colonel Dapcevic, who was kid Brussels to Bucharest, ki and brought to Yugosl summer, is rumoured to April.

HOME NEWS

gat Put industry first, Ford hief tells politicians

PETER CARTWRIGHT

STRONG attack on the way ich the economy is being ged, Mr. Terry Beckett, Motor's chairman, last called for a bi-partisan towards industry.

e need it desperately," he ed in a sharp criticism icy reversals by each new nment. "In a bi-partisan the greatest need is for ofits in industry."

Beckett urged politicians, ialists, management and unions to enter into a gh dialogue. But he ned against assuming that s could be achieved by g a German or Continental s of worker participation. wing on Ford's experience rmany and the European ission draft on employee pation and company struc- e said: "We are sceptical system the Germans have d to suit their own circum- s can be successfully im- to handle our manage- mployee relations, any than an imported system des unions worked in the industrial relations act three years ago."

The works council and the supervisory Board, for instance, were employee and not trade union based. Similar arrangements did not seem possible in the U.K. because they ignored the role of the trades unions in many of the employee institutions.

Mr. Beckett diagnosed part of Britain's troubles as stemming from an intellectual failure to think problems through. With only minor exceptions the source of all funds was productive industry, and yet the numbers employed in manufacturing industry dropped by 12.5 per cent. in the decade to 1975 although there was a population increase of 2.6 per cent.

There was a wide confusion of politics and economics. The success of the Germans depended strongly on the fact that their policies had primarily been directed towards establishing what served their economic welfare best, and then determining the political ways of implementing them. In Britain, it was the other way round.

"We take the politically possible issues and on them base short-term economic policies in order to hold on to a slim majority in next week's Commons debate or win the next election." The Germans would say that was the best recipe for ensuring the economy always came off second best.

Turning to productivity Mr. Beckett said we were already "eyeball to eyeball" with a low-wage, low productivity economy. Eight years ago, everyone thought that changing from low wages to high wages also changed low productivity to high productivity. But it did not work that way.

Although we had paid ourselves far bigger increases in pay than the Germans had given themselves we had hardly advanced at all.

Mr. Beckett was giving the Maclaren memorial lecture on human relations at Aston University, Birmingham, sponsored by the University's management centre, the British Institute of Management and the Institute of Personnel Management.

Call for stronger Scottish assembly

By Chris Baur, Scottish Correspondent

LEADERS of the Labour Party in Scotland—both MPs and members of its Scottish executive—appear agreed on a list of demands to the Government for more powers to be allocated to the proposed Scottish assembly.

The draft legislation on devolution is being prepared for publication in the early summer, and both sections of the party are seeking to widen the Assembly's control over local industrial and employment policies, to downgrade Westminster's veto power, and to increase the Assembly's financial autonomy.

On all three issues, the MPs and the Scottish Executive have moved a considerable way in an effort to halt the erosion of Labour support which has been apparent since the Government's Devolution White Paper was published in November.

The MPs and Labour's Scottish executive both want the assembly to be given full control of the Scottish Development Agency and the Highlands and Islands Development Board. They want the Scottish Secretary to remain in the U.K. Cabinet, and to exercise his industrial aid powers under Section 7 of the Industry Act. But they want his role in determining the competence of assembly legislation abolished.

ccountants k revised ce code

lichael Lafferty, City Staff

PERATION of the Price is causing difficulties in ranged economic circum- ; in industry, the Consul- Committee of Accountancy says in a memorandum ted to Mrs. Shirley Wil- Secretary for Prices and ner Protection.

Price Code rules, which e to be re-vamped in July devised, the committee s a short-term measure to l prices during a period ustrial expansion and in- g consumer demand, and recognise the effects of ting industrial or com- l activity.

present code was inappro- "particularly in the con- f accounting principles discussion and of gener- accepted economic con-

segregation of costs into ble and non-allowable, differed from those ed by the Inland Revenue x purposes, placed extra strative work on com- and led to anomalies

Rules of foreign exchange co-ordination 'unclear'

FINANCIAL TIMES REPORTER

CRITICISM of the "slender and informal institutional base" of international co-ordination among foreign exchange authorities was voiced by Professor Fred Hirsch, in London yesterday. Professor Hirsch, who is Professor of International Studies at the University of Warwick, was giving the third of the Stockton Lectures at the London Business School.

The case for cushioning and supplementing exchange market movements had been established on theoretical as well as instinctive grounds, he said. But the rules of the game were extremely unclear.

After reading three times the revisions of the IMF article proposed in Jamaica in January, he had decided that a reasonable free-hand translation would be: "You can do anything you like as long as you drop us a line back here at IMF headquarters."

Abandoning the attempt to influence global reserve supply seemed likely to add to the long-term instability of the international monetary system. Because of extensive credit operations by the IMF and central banks, a stimulus was given to "global base money" in the shape of international reserves. The link with the world money supply was flexible because of floating rates, but it still existed.

He predicted that "the fraternity of monetarists" would wake up to this form of global monetary expansion. When it did, it would be important to resist the instinct to restore the balance by wielding the axe on the credit operations.

Publishing seminar

A SEMINAR on "publishing in survival conditions" is to be held at the London Press Centre on April 9. It is being organised by the Periodical Publishers Association, the British Printing Industries Federation and the British Paper and Board Industry Federation.

The emphasis of the seminar will be on the need to reduce production costs and the importance of increased co-operation between printers, publishers and papermakers.

Furniture orders down in January

ORDERS ON hand in the U.K. furniture industry declined again in January, according to statistics published yesterday by the Department of Industry.

The index of orders (end 1970=100) on a seasonally adjusted basis was provisionally 190 in January, compared with 194 in December and January last year, when orders were on a rising trend.

The peak month for orders last year was May, with an index figure of 221.

A provisional estimate of £50.7m. is given for furniture deliveries in January, as against £43.9m. in value in January, 1975.

The seasonally adjusted index of deliveries (1970=100) gives a provisional figure of 160—a rise of 11 points on the December total and over 7 per cent. higher than in January last year.

● NEWS ANALYSIS—RESTAURANTS

Last orders at Prunier's

BY ARTHUR SANDLES

PRUNIER'S, the sea food restaurant in St. James's, London, is to close next week. Mme. Prunier, who has been in hospital recently, is giving up in order to "enjoy life a little." And thus, with redundancy for 50 members of staff, another famous name passes from the London catering scene.

Although Mme. Prunier has good reasons for withdrawing gracefully at this stage, there can be little doubt that her minor health troubles have been just yet another burden in what has been a troublesome couple of years for the restaurant trade throughout Britain.

Prunier's distinctive blue frontage in the heart of London's clubland has recently been largely obscured by sandbags. Mme. Prunier's 55-year-old son says that the building is being sold to an un-named buyer—but there are few of these in the restaurant business to-day.

At the upper end of the market only Japanese and Middle Eastern catering appears to be on the upswing—either of which would make an interetting addition to the St. James's catering scene.

What with bombs, the recession and onslaughts from the food guides, establishment catering has been having a tough time of late. Mr. Ernest Berger, manager of Prunier's, admits it. "Business generally over the last two years has not been what it was. I suppose it is a lot to do with the bombs in the West End."

It is a storm which has seen the end of the Ritz Grill, of Hogarth's in Victoria, of the Caprice and placed "virtually every restaurant in London" on the market if you happen to want to buy one, according to estate agents in the business.

Up-market

There is a strong case to be made that London has been overstocked with up-market restaurants in recent years. For a long time many were able to recruit low-cost staff from Italy, Greece and Spain, and many were living on freeholds or inexpensive long leases. The customers may not have agreed, but it produced a position in which it was easier to eat well cheaply in London than in many other capitals.

A variety of factors have now combined to make life difficult for top restaurants. Non-EEC staff are no longer easy to obtain, as the employment regulations become tougher. Common Market labour is not eager to come to Britain. London has no particular appeal compared with Hamburg, Milan or Paris when it comes to wage levels. Local authority rates suddenly began to rise, as did the cost of raw materials. Some long leases came to an end and the new rents were unattractive.

All this has happened at a time when customers have less money to spend and when a new breed of eating establishments has begun to bloom. For many years Britain was not the best of places to find lowish-priced good value food. Unlike the U.S., the U.K. could boast no catering sub-culture between haute cuisine and fish and chips.

Now the pizzas, the pastas, and the hamburger houses have filled the gap between 50p and £4, with the encouragement of authorities who show little of their former reluctance to grant alcohol licences.

The restaurants have attempted a counter-attack in various ways. Many have cut back their menus—producing attacks from the food guides for their trouble—and an increasing number are making special *table d'hote* offerings.

All this is a long haul from the days when Mme. Prunier arrived in London in 1934. She is the grand-daughter of the famous Paris Pruniers. For nearly two generations Prunier's has been a focal point of London's fashionable eating. Madame's tiny top-floor office is decorated with signed notes from the Duke of Windsor, who lunched there from time to time with Mrs. Simpson, and from General de Gaulle, who dined there regularly during the War.

When Mr. Berger, who is now 61, started as a waiter in 1946 a three-course meal with a glass of wine cost 13s 6d. To-day the same meal might produce a bill of about £9. But still Prunier's is popular. "This is a small, distinctive restaurant. It has appeal. I think it is something special. There aren't many places like it left in the West End."

That is certainly true, for very few restaurants can stand the pace these days. The one notable opening in London in recent weeks was the Sol e Mar in Soho's restauranteurs fksiyb r Soho's Dean Street, a lunch which had the rest of Soho's restaurateurs watching in wide-eyed surprsise and cynicism.

Broadly speaking, the food content of a middle-upper range meal accounts for 40 per cent. of the bill. Another third goes on labour, and the rest is for overheads (rent, rates, heating and laundry) and what is left is profit.

A restaurant is doing very well indeed if the owner takes as much as 6 per cent. as a gross margin. To earn a reasonable living from a small restaurant means a great many people have to be fed, and many long hours have to be worked.

Mme. Prunier, now in her seventies, rarely spent less than 12 hours a day in her establishment. No wonder she is now planning to take life a little easier.

Public spending policies 'under-rated'

BY ANTHONY HARRIS

UNEXPECTED, though somewhat qualified approval for the Government's public spending policies appears to-day in the monetary bulletin of Greenwell and Co., the stockbrokers. This influential analysis suggests that the policy's tightness and its chances of success have been under-rated, for a number of reasons.

● Although the financial burden in constant prices is shown to rise, there is a substantial cut in spending net of debt interest and other financial transactions: the projected total for 1979/80 is 3.7 per cent. below that for 1976/77, and 3.2 per cent. below the current year. "Therefore, part of the planned cut is in fact genuine."

● The cuts planned for future years deserve to be taken more seriously than in the past, because the Treasury is introducing tighter control on spending.

● The burden of debt interest is less than meets the eye. The Treasury estimates may be too high, and much of the payment can legitimately be covered by borrowing.

While approving the programme in broad terms, the brokers add a warning. "Maintenance of the cuts in future years depends very much on the strength of the Government's political will."

Recent Consolidated Fund figures, showing the progress of public sector revenue and expenditure, are "satisfactory," and the heavy fall in interest rates is seen as a necessary corrective to a monetary policy which was previously too tight.

Much of the bulletin is devoted to a detailed analysis of the prospective burden of public sector debt interest, both the likely sum and its economic significance.

Greenwell's calculations suggest that the Treasury's figures for the debt burden imply that inflation is expected to fall to 5 per cent. or less by 1979, while interest rates will fall only towards the end of the period—an assumption which they regard as cautious but not impossible, given the tendency of real interest rates to become positive in an economic upturn.

However, they feel it is unrealistic to take the debt figure as a measure of the burden on the taxpayer: adjustments are required to net out public sector receipts of interest and to allow for inflation.

To get at the fiscal burden, Greenwell suggests that a debit of 3 per cent. on the public sector's nominal debt—representing the long-run real rate of interest—should be used.

This has the effect of reducing the expected "fiscal deficit" by more than £5bn. in 1978/9 and 1979/80, when the Government is seen as having a fiscal surplus of over £800m.

The balance of interest charges—the part that could be avoided by converting the national debt to indexed securities—is regarded only as an addition to the borrowing requirement, and a problem for monetary management rather than a burden on the taxpayer.

"Our suggestion is not a relaxation of fiscal discipline, but an effort to weigh correctly the impact of the Budget on the economy" the brokers comment.

Shoe company to close

HIGH CROSS Shoes of Leicester is to go into voluntary liquidation, with the loss of 60 jobs. Its sales have been hit by low cost imports, especially from the Far East.

Most employees will leave at the end of the week, but some are being retained while existing orders are completed.

The company was formed in 1947. Its markets have been principally through multiple stores, mail order and exports.

Anglo American Industrial Corporation Limited

(Incorporated in the Republic of South Africa)

PROVISIONAL ANNUAL FINANCIAL STATEMENT FOR THE YEAR ENDED 31st DECEMBER, 1975, AND DECLARATION OF DIVIDEND NO. 24 ON THE ORDINARY SHARES

Subject to final audit, the abridged consolidated income statement of the corporation *and its subsidiaries for the year ended* 31st December, 1975 and the abridged consolidated balance sheet at that date are as follows. These should be read in conjunction with the notes below.

CONSOLIDATED INCOME STATEMENT

	1975 R000's	1974 R000's
Turnover of operating subsidiaries	366 202	267 709
Investment income	7 538	5 794
Trading profits of subsidiary companies after charging R13 131 000 (1974: R9 093 000) for depreciation and R1 503 000 (1974: R909 000) for leasing charges	71 114	52 554
Interest earned	1 288	1 173
	79 940	59 521
Deduct:		
Administration expenses	3 165	2 833
Expenditure on research and development	2 519	1 380
Interest paid	4 506	3 434
Provision against possible losses on joint venture contracts	—	482
	10 190	8 129
Profit before taxation	69 750	51 392
Taxation and deferred taxation	23 753	17 754
Profit after taxation	45 997	33 638
Deduct:		
Profit attributable to minority interests in subsidiary companies	5 080	5 174
Group profit, after taxation, attributable to Anglo American Industrial Corporation Limited	40 917	28 464
Net surplus (*1974*: Deficit) on realisation of investments	822	(1 416)
Provision against loans and amounts written off unlisted investments and goodwill	(830)	(214)
	(8)	(1 630)
	40 909	26 834
Appropriations:		
Dividend No. 23 (interim) of 22 cents per share (1974: 20 cents per share)	5 821	4 895
Dividend No. 24 (final) of 41 cents per share (1974: 37.5 cents per share)	10 851	9 177
	16 672	14 072
Transfer to non-distributable reserve	670	2 611
Transfers to distributable reserves	12 000	6 654
	29 342	23 337
	11 567	3 497
Unappropriated profit—31st Dec., 1974	11 329	7 808
Adjustment arising from changes in currency exchange rates	4 741	24
	16 070	7 832
Adjustments on changes in holdings in subsidiary companies	(329)	—
	15 741	7 832
Unappropriated profit—31st December, 1975	27 308	11 329

CONSOLIDATED BALANCE SHEET

	1975 R000's	1974 R000's
Issued share capital	26 461	24 473
Share premium	143 941	129 759
Non-distributable reserve	14 692	14 269
Distributable reserves	77 945	47 505
	263 039	216 006
Provision for deferred taxation	7 519	3 096
Minority interests in subsidiary companies	48 529	27 055
	319 087	246 157
Long term loans	15 376	8 247
	334 463	254 404
Represented by:		
Investments at cost, less amounts written off:		
Listed—market value R56 152 000 (1974: *R49 308 000*)	47 877	50 099
Unlisted	23 315	19 630
	71 192	69 729
Fixed assets including *net premium on* acquisition of subsidiary companies	173 512	126 981
Loans less provision	16 588	12 386
Current assets:		
Stocks, stores, raw materials and work in progress	79 978	55 491
Debtors including joint ventures	131 959	88 257
Cash at call on deposit	25 361	8 620
	237 298	152 368
Current liabilities:		
Creditors	125 016	79 225
Shareholders for dividend No. 24	10 851	9 177
Bank overdrafts	28 260	18 658
	164 127	107 060
Net current assets	73 171	45 308
	334 463	254 404

NOTES:

		1975	1974
1.	Number of shares in issue at the year end	26 460 639	24 472 751
	Earnings per share—cents	154.6	116.3
	Dividends per share—cents	63	57.5

2. Included in the after tax profits are earnings of R3 002 000 arising in Zambia, Rhodesia and Malawi (1974: R2 469 000) of which R964 000 is remittable as dividends to South Africa (1974: received R1 105 000).
3. The tax charge has been relieved by R2 165 000 in respect of non-recurring investment allowances on machinery and factory buildings brought into use during the year. (1974: R273 000).
4. The results for the year ended 31st December 1975 include the results of Barratt's Industries Limited from 1st January 1975, Stafford Mayer Company South Africa Limited and South African Board Mills Limited from 1st May 1975, and Aero Marine Freight Services Holdings Limited from 1st July 1975 (See notes 7, 8 and 9).
5. Group commitments for capital expenditure at 31st December 1975 amounted to R11 894 000 (1974: R19 574 000).
6. During the 1975 financial year to date, a total of 1 987 888 shares has been allotted and issued by Amic 1 760 488 of which were issued as a result of the acquisitions made during the year, and the balance of 227 400 to participants in the Amic Group Share International Limited, which in turn is wholly owned by Amic.
7. Barratt's Industries Limited ("Barratt's"):
   In terms of a scheme of arrangement sanctioned by the Court on 29th July 1975, Barratt's became, with effect from 1st January 1975, a wholly-owned subsidiary of Boart International Limited, which in turn is wholly owned by Aim.
8. Stafford Mayer Company South Africa Limited ("Stafford Mayer") and South African Board Mills Limited ("SABM"):
   In terms of schemes of arrangement sanctioned by the Court on 29th August 1975, these companies became wholly-owned subsidiaries of Amic with effect from 1st May 1975.
9. Aero Marine Freight Services Holdings Limited ("AMFSH"):
   During the latter half of 1975, agreement was reached between Freight Services Holdings Limited (in which Amic has an interest of 56 per cent) and certain companies in the South African Marine Corporation Limited group for the merger of their activities with effect from 1st July 1975. Amic's interests in freight and travel are now held through AMFSH in which it has an investment of 43 per cent, held both directly and indirectly. As a consequence of the introduction of a pyramid company, Redbury Holdings Limited, the AMFSH figures are included in the consolidated results.

General

Copies of this report will be despatched to all registered shareholders from the offices of the transfer secretaries in Johannesburg and the United Kingdom as soon as possible.

DECLARATION OF DIVIDEND NO. 24

Notice is hereby given that dividend No. 24 of 41 cents a share (Previous year 37.5 cents), being the final dividend for the year ended 31st December 1975, has been declared payable to shareholders registered in the books of the corporation at the close of business on 2nd April 1976.

This dividend together with the interim dividend of 22 cents a share, declared on 10th September 1975, makes a total of 63 cents a share for the year (1974: 57.5 cents).

The share transfer registers and registers of members will be closed from 3rd April to 15th April 1976, both days inclusive, and warrants will be posted from the Johannesburg and United Kingdom offices of the transfer secretaries on or about 6th May, 1976.

Registered shareholders paid from the United Kingdom will receive the United Kingdom currency equivalent on 27th April 1976 of the rand value of their dividends (less appropriate taxes). Any such shareholders may, however, elect to be paid in South African currency provided that any such request is received at the offices of the corporation's transfer secretaries in Johannesburg or the United Kingdom on or before 2nd April 1976.

The dividend is payable subject to conditions which can be inspected at the head and London offices of the corporation and also at the offices of the corporation's transfer secretaries in Johannesburg and the United Kingdom.

The effective rate of non-resident shareholders' tax is 15 per cent.

By Order of the Board
G. W. H. Reily
W. F. Boustred
Directors

Registered Office:
44 Main Street,
Johannesburg.
2001.

Transfer Secretaries:
Consolidated Share Registrars Limited,
62, Marshall Street,
Johannesburg 2001
(P.O. Box 61051, Marshalltown 2107).
Charter Consolidated Limited,
P.O. Box 102,
Charter House, Park Street,
Ashford, Kent. TN24 8EQ.
11th March, 1976.

HOME NEWS

Delay parcel rise Post Office told

BY DONALD MACLEAN

THE POST OFFICE *should defer* for six months the proposed 25 per cent. increase in parcel charges from April 26, the Post Office Users' National Council said yesterday.

If there was a delay, the Post Office replied, there should be a Government subsidy. The parcel service has been running at a heavy loss and in 1974-75 suffered a £42.6m. deficit.

The Post Office was attacked by Lord Peddie, chairman of POUNC, for not having supplied all the information on parcel activities that the council had requested.

It expects that the 25 per cent. *price increase will result in a* 12 per cent. loss in volume, but it has not told the Council the projected turnover figures.

The council, which has been *told by big users of the parcel* service that there would be substantial withdrawals of custom in the event of a 25 per cent. increase in charges, said that *there should be no increases in* charges on inland parcels and letters weighing more than 100 grammes for at least six months.

Behind the discussion of the parcel service now going on is *the fear in some quarters that* the Post Office might withdraw the service—a possibility—viewed with concern by the Union of Post Office workers, as well as the council.

The council said that the 25 per cent. proposed increase in the price of the postal service, would be the third in 13 months and the combined effect of the three increases would be to raise the price of parcel post by an average of 145 per cent., and in some cases by 160 per cent.

The proposals to increase parcel and inland letter packets over 100g. were announced on February 11, the day that details of the *Government-trade Price* Check Scheme were disclosed by Mrs. Shirley Williams, Secretary for Prices and Consumer Protection. Included in the price check *scheme are the Post Office ser*vices of letters under 100g. and telephone charges.

● The Mail Users' Association, which represents 400 of the *largest of Post Office customers*, welcomed the Council's call for a six-month delay. "Without such a period of stability, there is little hope of any long-term plan being evolved," *it said.*

Halifax assets rise 21.5% to £4.57bn.

BY MICHAEL CASSELL, BUILDING CORRESPONDENT

BRITAIN'S LARGEST *building* society, the Halifax, achieved a 21.5 per cent. growth in assets during 1975. At the end of January this year they stood at £4.57bn., a rise of £810m. over the 12-month period.

The society's liquid funds at the end of its last financial year were £904.3m., representing 19.8 per cent. *of total assets.* The liquidity ratio in the previous 12 months was 17.9 per cent.

During 1975, the Halifax took in £2bn. from investors, against *£1.39bn. in 1974, while with*drawals were £1.13bn., compared with £925m. the year before. Net investment inflow was a record £640.6m., against £237m. in 1974.

Highest total

Mortgage advances totalled £962m., a rise of £340m. on 1974, *involving 123,584 individual* loans, compared with just over 90,000 in the previous year and the highest annual total ever achieved.

In announcing details of the results, Mr. Raymond Potter, *chairman of the Halifax and also* of the Building Societies' Association, said that in deciding next month whether or not to reduce interest rates, societies had to bear in mind the drain on resources which rate changes could involve.

Mr. Potter said that if any interest rate reductions in the near future proved premature and had later to be reversed, societies could be faced with very heavy expenses, running into "many millions of pounds."

He pointed out that while changes in investors' rates take almost immediate effect, the adjustment to the mortgage rate requires substantial notice.

Mr. Potter, who would not prejudge the April decision, thought the impression had been gained that societies were waiting for the Budget simply to see *if any tax changes affected their* own position. While this was important, the overriding factor was that possible effects Mr. Healey's decisions would have on *the future course of the economy* as a whole.

Law Society setback on conveyancing

BY A. H. HERMANN

THE LAW Society suffered its firs setback in its defence of solicitors' conveyancing monopoly in the Divisional Court this week when Lord Widgery, Lord Chief Justice, together with Mr. Justice O'Connor and Mr. Justice Goff, unanimously allowed the appeal of two partners in the Property Transfer Association *against their conviction* by Worcester Justices in June 1974.

The decision in favour of the two partners, Mrs. Doris Green and Mr. David Ashford, must, however, be taken together with an earlier unfavourable decision on the appeal of the third partner, Mr. Francis Reynolds. He was drawing up the transfer documents without taking any fees, which were charged by the other "transfer agents" for all the other work done in connec*tion with the conveyancing.*

These two decisions do not make the competition with the legal profession any easier.

Section 20(1) of the Solicitors' Act 1957 prohibits the preparation or drawing up, directly or indirectly, of instruments of transfer and of some other legal documents. The *Lord Chief* Justice said that this could only mean "the use of mind to select words" and that only Mr. Reynolds had done that, and not Mrs. Green and Mr. Ashford.

The two were therefore not guilty of an infringement of the Act, though they used the *co-operation of Mr. Reynolds.*

Mr. Reynolds, however, could not escape the prohibition by avoiding to take any fees himself. As the Divisional Court, *also with the Lord Chief Justice* presiding, decided on last July, it made no difference whether the fees went into his own pocket or that of a third party; he still worked for a fee even if this was not payable to him. The fine of £100 imposed by magistrates was confirmed.

In both instances the informations were preferred by Mr. John Hoyle, of the Law Society. The Society is still considering the possibility of appeal against this week's decision. Its five or six previous prosecutions under Section 20 of the Solicitors' Act were all successful.

YACHTING BY ALEC BEILBY

Italian sloop sunk by killer whale

THE ITALIAN YACHT Guia III has sunk while competing in the Whitbread Gold Tankard Race from Rio de Janeiro to Portsmouth.

She was hit by a 20-foot killer whale 750 miles south-west of the Cape Verde Islands last Monday, but news of the disaster did not reach the race organisers, the Royal Naval Sailing Association, until yesterday.

The 43-foot sloop, formerly the 1973 Australian Admiral's Cup team yacht, Gingko, was sailing in a 20-knot easterly wind when *the whale struck her port bow* making a hole six feet long and a yard wide.

Realising it was impossible to save the yacht the six-man crew, skippered by Jerome Poncet, of France, launched their life raft taking stores and clothing sufficient for 30 days. They abandoned the yacht 20 minutes after the collision as it began to sink.

The crew were lucky for, although stranded almost exactly equidistant from the north coast of Brazil and Cape Verde Islands, they were sighted and picked up early on Tuesday morning after only 18 hours adrift by the merchant ship *Hellenic Ideal on passage to New* York.

It was from the rescuers' ship that the yacht's radio operator was able to send his report to Britain.

The race is the third in a series from France to Cape Town, Cape Town to Rio and Rio to Portsmouth. It was originally intended to be part of the Whitbread RNSA Atlantic multi-hull circuit, but this event was cancelled at the last minute last autumn because there were insufficient entries.

This final race back to Britain was to have been an opportunity for mono-hull racing yachts to compete with multi-hulled trimarans and catamarans, but in the event there were no multi-hull competitors.

Meanwhile there is some concern for the well-being of the Italian schooner Cs e RB II, competing in the Financial Times Clipper Race. She left the Falkland Islands on February 5 equipped with only a short-range emergency radio having completed rigging repairs, but *has* not been contacted or sighted during the 35 days since then.

It is estimated that she is in the same area of the Atlantic as the nine yachts that remain racing for the Whitbread Tankard and the crews have been asked by the Whitbread organisers to *keep a special visual and radio* watch for her, as have all merchant ships in the same area and in the South Atlantic.

Mr. Harold Wilson, who was 60 yesterday, waves to onlookers as *he bids goodbye to* ? Wilson before attending a Cabinet meeting.

More cash sought for roads

By James McDonald

A DEMAND for a "drastic re-allocation" *of transport spending* —more to roads and less to railways—has been put to the Government by the British Road Federation, coupled with a charge that there has been a campaign *of deception* by rail unions and their supporters.

Mr. Tony de Boer, chairman of the British Road Federation, said yesterday: "It is clear that the Government has backed down before the relentless campaign of scare-mongering waged by the rail unions."

He accused Mr. Anthony Crosland, Environment Secretary, of *"double-talk" in stating* that roads were essential to the economy while it was the highway programme that had borne the heaviest share of cuts in the public spending White Paper.

He says in a letter to Mr. Crosland that the plans for transport "run counter to all the personal statements which you have made and further reflect the confusion and inconsistency characteristic of Government policy on transport."

To claim that freight and passengers could be transferred to rail was "as realistic as believing in fairies." Mr. de Boer said that his federation wanted to see a cut in subsidies to British Rail.

Benn to consider aid for Laing offshore

FINANCIAL TIMES REPORTER

THE GOVERNMENT is to consider giving financial support to the Hartlepool oil platform production base of Laing Offshore, which is facing a serious lack of orders.

Mr. Anthony Wedgwood Benn, the Energy Secretary, said in a *letter to civic leaders that he* had asked the company to put forward proposals for re-equipping the yard for diversification.

The question of giving the company financial aid would then be considered, although this in itself would not solve the yard's long-term problems.

Mr. Wedgwood Benn was replying to a letter from the Mayor of Hartlepool. He said talks were in progress with a number of oil companies on the *possibility of platform orders.* The lull had occurred because companies were making technical appraisals to decide the type and design of platforms needed.

Shop stewards said yesterday that, although Government support would probably supply work for only a proportion of the workforce, it would keep the yard open in readiness for an expected upturn in demand for platforms towards the end of the year.

Laing plans to make 1,300 workers redundant over [illegible] four months. The compa[ny has] only one contract in hand[,] [a plat]form for Burmah Oil [develop]ment's Thistle field and [is] due to be completed in [illegible]

The jobs of the remain[ing] workers are also in je[opardy]. The company has warn[ed that] further redundancies w[ill be] necessary unless it is give[n] work within the next mon[ths].

Meanwhile, North-East [union] leaders claimed yesterday [that a] new Government commit[tee set] up to help find work for [plat]form yards was biased [towards] Scotland.

Mr. Jim Harper, secre[tary of] the Northern regional co[uncil of] the TUC, said he had sen[t] to Government departme[nts ask]ing for a meeting to dis[cuss] membership of the new c[ommittee] committee headed by M[r.] Smith, Minister of St[ate for] Energy.

New vessel for P & O

THE 18,200-ton liquefied pe[troleum] gas carrier Gandara will [be de]livered on the Tyne b[y Swan] Hunter later this month [to the] P & O group.

HOME NEWS

Journalists union says it is non-political

BY MICHAEL THOMPSON-NOEL

THE NATIONAL Union of Journalists yesterday reasserted its claim that it had no political ambition and no political policy.

In no circumstances, the Royal Commission on the Press was told, would the union give instructions to its members on political issues or dictate the editorial line that newspapers should take.

Mr. Ken Morgan, NUJ general secretary, also told the Commission that the union would be totally opposed to the proposed Press charter being drafted by any Secretary of State. Such a move would be "absolutely intolerable," said Mr. Morgan.

"It follows from our view that Press freedom is not best safeguarded by legislation. It has not been an attribute of Governments to advance Press freedom."

Mr. Morgan told the Commission he did not accept that the union's declared ambition of securing 100 per cent. membership in newspaper offices posed a threat to the freedom of the Press.

The recent progress of the Government's closed shop legislation had provoked much public concern on this issue, said Mr. Morgan, but much of this concern was "phoney." It had been put forward out of political and commercial motives.

'Apartheid'

It had yet to be demonstrated that there was an inherent conflict between the desire to preserve Press freedom and the desire of journalists to combine together in pursuit of conventional industrial objectives.

He said the union had a long record of working to preserve Press freedom and to resist Press censorship.

To single out the NUJ for discriminatory exclusion from the right to form a closed shop would amount to "trade union apartheid."

The NUJ was prepared to sit down, in good will, with all other parties in a determined attempt to draft the proposed voluntary Press charter embodied in the Government's Trade Union and Labour Relations (Amendment) Bill.

Mr. Morgan said he had been encouraged this week by Lord Goodman's statement to the Commission that the charter was unlikely to do any harm and might do some good.

He had also been encouraged by the views of a number of distinguished editors who saw value in pursuing an acceptable charter. "But it would be foolish to be too optimistic of the chances of success."

Greenwell Drydocks inquiry report due next week

BY OUR SOUTH SHIELDS CORRESPONDENT

THE INDEPENDENT inquiry is almost complete into the future of Greenwell Drydocks, Sunderland, which employs more than 300 people.

Mr. Richard Owen, the London management consultant who has been conducting the investigation, plans to submit his report to the Department of Industry by the middle of next week.

He said yesterday that leads to potential buyers of Greenwells had all turned out to be "insubstantial." One more prospect remained but he was careful to stress that he "did not know the strength of it."

"Some of these inquiries I have pursued into people possibly buying the yard proved to be near-total rumours."

North-East Coast Ship Repairers, South Shields, the nationalised parent concern, decided to close the yard from the end of March because it had been a consistent loss-maker over the past three years.

The decision was accepted within the Department of Industry but after pressure from MPs and unions, Mr. Eric Varley, the Industry Secretary, agreed last month to hold an independent inquiry.

About 100 staff and workers have left the yard since January, leaving just over 300 still there. Most are under notice to leave on March 26.

HARRIS TWEED INDUSTRY

Time for a new pattern

BY OUR STORNOWAY CORRESPONDENT

THE FUTURE of the Harris Tweed industry is to be decided within the next two weeks when the 550 self-employed weavers vote by postal ballot whether to accept proposals for restructuring the industry.

This was agreed at a meeting in Stornoway Town Hall when 130 weavers from all parts of Lewis and Harris heard the case presented by the Harris Tweed Association.

The industry is suffering its longest and worst depression. Five years ago there were 1,250 weavers and 900 millworkers; these figures have dropped dramatically to 550 weavers and 300 millworkers, and production has slumped from over 7m. yards to less than 3m. yards last year.

Discussions have been going on for more than a year concerning the reorganisation of the industry by a joint committee with representatives from the Highland Board; the HTA, the manufacturers, and the Transport and General Workers' Union.

Broad agreement has been reached on certain proposals, including the need for the introduction of a double width power loom into the industry instead of the traditional single width hand woven Harris Tweed known throughout the world for its orb trade mark.

They also agreed that any changeover would have to be gradual and that there would still be a need for single width Harris Tweed, particularly in the American market.

Trust fund

It has also been suggested that instead of weavers working at their own homes, double width power weaving should take place in specially built weaving sheds, each with 12 looms, situated in the rural weaving communities, but not in Stornoway itself.

Weavers in these units would become class one employees and would be entitled to unemployment benefit, which is at present denied to the self-employed weavers. It was also proposed that the manufacturers would set up a trust fund for those weavers who became redundant with the introduction of power weaving.

This proposal has run into opposition from weavers, many of them middle-aged, who live in an area which already has the highest unemployment rate in Britain at 22 per cent.

Mr. James Shaw Grant, chairman of the Harris Tweed Association, speaking at the Stornoway meeting warned of a further decline in the industry if the proposals were not adopted.

He added: "During the time the discussions have been going on 100 weavers have lost their jobs. We want, if possible, to try to stop the rot."

Speakers at the meeting expressed fears, however, that the proposals would mean further redundancies. The three power units initially planned will only employ 50 and the workforce would probably be reduced to 250 weavers.

With power weaving to be carried out only in the rural areas, weavers from Stornoway would have to travel from the island to work at power units. Dissatisfaction too was expressed over the manufacturers' trust fund which would be set up for weavers who became redundant.

Mr. Bill Macleod, chairman of the weavers section of the TGWU, said yesterday: "The weavers are not responsible for the present position in the industry but now they are being asked to take the big decision which may affect its whole future and also cause further redundancies."

Vodka drinking up sharply at 2.89m. gallons last year

BY KENNETH GOODING

BRITAIN'S thirst for vodka continued to grow rapidly last year in spite of the big increase in duty on spirits imposed in the Budget.

Clearances from bond rose 12.8 per cent. above the 1974 level leaving vodka the only type of spirit to show a significant advance. Scotch, gin, rum and Cognac all fell in the wake of the Chancellor's onslaught.

According to Customs and Excise statistics just released vodka clearances moved up from 2.561m. gallons to 2.89m. gallons. The only other spirit type to show any improvement was brandy (as distinct from Cognac), up 0.26 per cent. to 759,000 gallons.

Scotch whisky remained the U.K.'s favourite spirit in 1975 and continued to account for more than half of all spirits taken from bond. But clearances dropped 6 per cent. to 16.34m. gallons from the 1974 total.

The fall for gin was not so severe. Duty payments slipped 4 per cent. to 5.29m. gallons.

Rum remained third in the spirits league with clearances last year of 3.33m. gallons, but this was a drop of 8.6 per cent on 1974. Total brandy withdrawals from bond showed a 10.8 per cent. fall but this was mainly due to the more expensive Cognacs dropping by 15.37 per cent. to 1.55m. gallons.

The figures come hard on the heels of those which showed wine clearances in 1975 down for the first time since 1969 to 77.5m. gallons, a 6.1 per cent. fall.

Together the statistics bear out the wine and spirit traders' insistence that the Chancellor—who added 64p to the retail price of a bottle of whisky or gin and 24p to a bottle of wine in the Budget—is approaching the stage where further duty increases will bring the law of diminishing returns into operation.

The only room for manoeuvre he seems to have is for extra duty on beer, which managed to show a 2.42 per cent. rise in production last year, thanks mainly to the good summer, in spite of a 2p-a-pint Budget rise in price.

Aerospace exports earn £80m. in January

BY MICHAEL DONNE, AEROSPACE CORRESPONDENT

WITHIN WEEKS of announcing record exports of £801m. last year, £170m. more than in the previous year, the Society of British Aerospace Companies says that this year has also begun well, with January exports of just under £80m., the second highest monthly total achieved by the industry.

Aircraft and parts accounted for more than £38.34m., while shipments of engines and parts amounted to nearly £37.4m.

Leading customer for aircraft and parts was France, but the figure reflected shipments of Concorde parts to the Toulouse assembly line which were counter-balanced by imports of Concorde parts from France for the Filton, Bristol, assembly line.

Egypt figured well up the list in January, taking £3.86m. worth of aircraft, mainly helicopters.

While it is too early to think in terms of another record year, the aerospace industry remains confident that, with the substantial orders it holds, the January performance will be repeated in the months ahead.

Miner dies

A MINER died yesterday after a pit accident in South Wales, the ninth fatality so far this year.

Warwick Morgan, 44, of Swansea, received head injuries in an explosives accident at Cynheidre colliery, Llanelli, on Monday.

Rev. Thomas Corbishley dies at 72

REV. Thomas Corbishley, a Roman Catholic priest prominent in the field of Christian unity, died in London yesterday, aged 72

He earned a reputation as "the Priest of London" during his eight years until 1966 as Superior of Farm Street Church, Mayfair, London headquarters of the Jesuits. He was the first Roman Catholic since the Reformation to preach in Westminster Abbey and the first ever to preach in St. Paul's Cathedral

Survey shows more dons favour TUC link

BY MICHAEL DIXON, EDUCATION CORRESPONDENT

THERE HAS been a big swing in favour of TUC affiliation among British university lecturers, according to a National Opinion Poll survey published in the Times Higher Education Supplement to-day.

The 29,000 members of the Association of University Teachers are voting on the TUC issue.

A survey taken in 1971 indicated that 70 per cent. of the dons were against TUC membership. But the opinion poll taken last week suggests that there will now be a small majority in favour.

The swing is attributed to discontent with pay, rather than to a Leftwards shift in dons' political views. Only 31 per cent. now intend to vote Labour, compared with 40 in October 1974. Declared support for the Conservatives has risen from 21 to 25 per cent.

Child care tax plea for solo parents

LONE parents who work full-time should be allowed to claim child care costs as a tax-free expenditure, a Royal Society of Heath conference on childminding and day care was told in London yesterday.

Mr. A Astill, chairman of Gingerbread, an organisation for one-parent families, said lone parents relying on supplementary benefits are allowed to earn £4 without reduction of benefit. They may also claim the costs of day care for their children. But those who wish to work full-time have to pay for child care

One in ten families in the U.K. are headed by a lone parent—there are 620,000 of them struggling to bring up 1,080,000 children. The average income of these families is less than half that of the two-parent families and 43 per cent. of them are living on supplementary benefit. This is about £17.10 a week plus rent for a parent with two small children

Local authority housing policies often discriminate against them in points systems and residence qualifications. These families therefore often have to pay high rents for low-quality private accommodation.

In the opinion of Mr. Cyril Smith, the Liberal MP, if society considers children important, it must be ready to support one-parent families.

هكذا من الأصل

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COMPANY NOTICE

GEDULD INVESTMENTS LIMITED

(Incorporated in the Republic of South Africa)

Payment of Coupon No. 122

Holders of Share Warrants to Bearer are informed that payment of Dividend No. 122 will be in United Kingdom currency on and after 26th March, 1976 after surrender of Coupon No. 122 as follows:—

	Per R1 Share Pence
Dividend declared in South African currency, 27 cents, equivalent in United Kingdom currency to	15.90738
South African Non-Resident Shareholders' Tax at 15%	2.38611
	13.52127
United Kingdom Income Tax at 20% (see Note) on the Gross amount of the dividend	3.18148
Net amount	10.33979p

Listing forms may be obtained and coupons lodged as follows:—

LONDON
at the office of the London Secretaries
(entrance for callers: 3rd Floor,
8, Basinghall Street, London, E.C.2).

PARIS
Lloyds Bank International (France) Limited
or Banque de l'Indochine.

SWITZERLAND
Swiss Credit Bank Zurich
or Swiss Bank Corporation, Basle.

Coupons lodged at the London Secretaries Office must be left four clear business days for examination and may be deposited on or after 15th March, 1976 between the hours of 11 a.m. and 3 p.m. (Saturdays excepted).

Coupons lodged in London unaccompanied by United Kingdom Inland Revenue Declarations will be paid at 10.33979p per share. Other coupons, wherever lodged, will be payable at the rate of 13.52127p per share.

NOTE: Under the double tax agreement between the United Kingdom and the Republic of South Africa, the South African tax applicable to this payment is allowable as a credit against the United Kingdom tax payable in respect thereof. The deduction of tax at the reduced rate of 20% instead of at the standard rate of 35% represents an allowance of credit of 15%, the rate of overseas taxation applicable.

per pro. UNION CORPORATION (U.K.) LIMITED.
London Secretaries.
L. W. Humphries.

London Secretaries,
Princes House
95 Gresham Street,
London EC2V 7BS.
12th March, 1976

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COMPANY NOTICES

Midland Bank Limited

NOTICE IS HEREBY GIVEN that the one hundred and fortieth annual general meeting of Midland Bank Limited will be held at The Chartered Insurance Institute, 20 Aldermanbury, London EC2, on Wednesday, 7 April 1976, at 11 a.m., to adopt the Directors' Report and Audited Accounts *for the year ended 31 December 1975*, to appoint Directors in place of those retiring and to authorise the Directors to fix the Auditors' remuneration.

Notice is also hereby given, upon the requisition of certain members pursuant to the provisions of Section 140 of the Companies Act 1948, that the Bank has been advised of an intention to move at the annual general meeting the following resolution, as a Special Resolution:

"That this meeting requires the Directors to cause the Midland Bank to make no further loans to the South African government or its departments, agencies or state corporations, and not to renew or extend any such existing loans".

A member entitled to attend and vote at the meeting is entitled to appoint one or more proxies to attend and, on a poll, to vote instead of him. A proxy need not be a member of the company. To be valid, forms of proxy must reach the Registrar at Midland Bank Limited, Courtwood House, Silver Street Head, Sheffield S1 3RD, not less than forty-eight hours before the time fixed for the meeting.

By order of the Board.
D. P. G. WYATT, Secretary.

Registered Office:
Poultry,
London EC2P 2BX.
11 March 1976.

GENERAL OVERSEAS FUND

(A mutual fund established under the Federal Mutual Funds Act 1966 of Switzerland and now in course of liquidation)

THE DOCUMENT containing information concerning the liquidation of General Overseas Fund and details of the optional arrangements, available until 31st March, 1976 to holders of outstanding units of General Overseas Fund to re-invest on preferred terms the liquidation distribution due to them in respect of their General Overseas Fund units in shares of Emperor Fund N.V. (a mutual fund established under the laws of the Netherlands Antilles) has now been published. Copies of the document may be obtained from Charterhouse Japhet Limited, 1, Paternoster Row, St. Paul's, London, EC4M 7DH.

THE "SHELL" TRANSPORT AND TRADING COMPANY, LIMITED

NOTICE IS HEREBY GIVEN that a balance of the Register will be struck on Friday, 9th April, 1976, for the preparation of warrants for a Final Dividend for the year 1975 of 6.778p per 25p Ordinary Share. If approved at the Annual General Meeting to be held on 13th May, 1976, the dividend will be paid on 17th May, 1976.

For transferees to receive this dividend their transfers must be lodged with the Company's Registrar, Lloyds Bank Limited Registrar's Department, Goring-by-Sea, Worthing, West Sussex BN12 6DA not later than 3.00 p.m. on 9th April, 1976.

SHARE WARRANTS TO BEARER

The Coupon to be presented for the above dividend will be No. 152, which must be left at Lloyds Bank Limited, 39 Threadneedle Street, London EC2R 8AU, at least five clear days for examination, or may be surrendered through MM Lazard Freres, Paris.

By Order of the Board
A. R. HARVEY, Secretary.

Shell Centre,
London SE1 7NA.
11th March, 1976.

LEGAL NOTICES

No. 00642 of 1976

In the HIGH COURT OF JUSTICE Chancery Division Companies Court. In the Matter of PATEL INVESTMENTS LIMITED and in the Matter of The Companies Act, 1948.

NOTICE IS HEREBY GIVEN, that a Petition for the Winding up of the above-named Company by the High Court of Justice was on the 5th day of March, 1976, presented to the said Court by THE MAYOR ALDERMEN AND BURGESSES OF THE ROYAL BOROUGH OF KENSINGTON AND CHELSEA of the Town Hall, Kensington High Street, London, W.8, and that the said Petition is directed to be heard before the Court sitting at the Royal Courts of Justice, Strand, London, WC2A 2LL on the 12th day of April, 1976, and any creditor or contributory of the said Company desirous to support or oppose the making of an Order on the said Petition may appear at the time of hearing, in person or by his counsel, for that purpose; and a copy of the Petition will be furnished by the undersigned to any creditor or contributory of the said Company requiring such copy on payment of the regulated charge for the same.

A. ELLERY,
19-27, Young Street,
London, W.8.
Solicitor for the Petitioners.

NOTE.—Any person who intends to appear on the hearing of the said Petition must serve on, or send by post to, the above-named notice in writing of his intention so to do. The notice must state the name and address of the person, or, if a firm the name and address of the firm and must be signed by the person or firm, or his or their solicitor (if any) and must be served, or, if posted, must be sent by post in sufficient time to reach the above-named not later than four o'clock in the afternoon of the 9th day of April, 1976.

No. 00845 of 1976

In the HIGH COURT OF JUSTICE Chancery Division Companies Court. In the Matter of SIDNEY JOSEPH NEWSTEAD LIMITED and in the Matter of The Companies Act, 1948.

NOTICE IS HEREBY GIVEN, that a Petition for the Winding up of the above-named Company by the High Court of Justice was on the 8th day of March, 1976, presented to the said Court by THE MAYOR ALDERMEN AND BURGESSES OF THE ROYAL BOROUGH OF KENSINGTON AND CHELSEA of the Town Hall, Kensington High Street, London, W.8, and that the said Petition is directed to be heard before the Court sitting at the Royal Courts of Justice, Strand, London, WC2A 2LL on the 12th day of April, 1976, and any creditor or contributory of the said Company desirous to support or oppose the making of an Order on the said Petition may appear at the time of hearing, in person or by his counsel, for that purpose; and a copy of the Petition will be furnished by the undersigned to any creditor or contributory of the said Company requiring such copy on payment of the regulated charge for the same.

A. ELLERY,
19/27, Young Street,
London, W.8.
Solicitor for the Petitioners.

NOTE.—Any person who intends to appear on the hearing of the said Petition must serve on, or send by post to, the above-named notice in writing of his intention so to do. The notice must state the name and address of the person, or, if a firm the name and address of the firm and must be signed by the person or firm, or his or their solicitor (if any) and must be served, or, if posted, must be sent by post in sufficient time to reach the above-named not later than four o'clock in the afternoon of the 9th day of April, 1976.

No. 00839 of 1976

In the HIGH COURT OF JUSTICE Chancery Division Companies Court. In the Matter of LAMMON INVESTMENTS LIMITED and in the Matter of The Companies Act, 1948.

NOTICE IS HEREBY GIVEN, that a Petition for the Winding up of the above-named Company by the High Court of Justice was on the 8th day of March 1976, presented to the said Court by THE MAYOR ALDERMEN AND BURGESSES of the Royal Borough of Kensington and Chelsea of the Town Hall, Kensington High Street, London, W.8, ...

No. 00878 of 1976

In the HIGH COURT OF JUSTICE Chancery Division Companies Court. In the Matter of LAFRANCE (GOWNS) LIMITED and in the Matter of The Companies Act, 1948.

NOTICE IS HEREBY GIVEN, that a Petition for the Winding up of the above-named Company by the High Court of Justice was on the 8th day of March 1976, presented to the said Court by THE MAYOR ALDERMEN AND BURGESSES of the Royal Borough of Kensington and Chelsea of the Town Hall, Kensington High Street, London, W.8, and that the said Petition is directed to be heard before the Court sitting at the Royal Courts of Justice, Strand, London WC2A 2LL, on the 12th day of April 1976, and any creditor or contributory of the said Company desirous to support or oppose the making of an Order on the said Petition may appear at the time of hearing, in person or by his counsel, for that purpose; and a copy of the Petition will be furnished by the undersigned to any creditor or contributory of the said Company requiring such copy on payment of the regulated charge for the same.

A. ELLERY,
19/27 Young Street,
London, W.8.
Solicitor for the Petitioners.

NOTE.—Any person who intends to appear on the hearing of the said Petition must serve on, or send by post to, the above-named notice in writing of his intention so to do. The notice must state the name and address of the person, or, if a firm, the name and address of the firm and must be signed by the person or, firm, or his or their solicitor (if any) and must be served, or, if posted, must be sent by post in sufficient time to reach the above-named not later than four o'clock in the afternoon of the 9th day of April 1976.

No. 00652 of 1976

In the HIGH COURT OF JUSTICE Chancery Division Companies Court. In the Matter of D. A. C. LONDON LIMITED and in the Matter of The Companies Act, 1948.

NOTICE IS HEREBY GIVEN, that a Petition for the Winding up of the above-named Company by the High Court of Justice was on the 5th day of March, 1976, presented to the said Court by THE MAYOR ALDERMEN AND BURGESSES OF THE ROYAL BOROUGH OF KENSINGTON AND CHELSEA of the Town Hall, Kensington High Street, London, W.8, and that the said Petition is directed to be heard before the Court sitting at the Royal Courts of Justice, Strand, London, WC2A 2LL on the 12th day of April, 1976, and any creditor or contributory of the said Company desirous to support or oppose the making of an Order on the said Petition may appear at the time of hearing, in person or by his counsel, for that purpose; and a copy of the Petition will be furnished by the undersigned to any creditor or contributory of the said Company requiring such copy on payment of the regulated charge for the same.

A. ELLERY,
19/27, Young Street,
London, W.8.
Solicitor for the Petitioners.

NOTE.—Any person who intends to appear on the hearing of the said Petition must serve on, or send by post to, the above-named notice in writing of his intention so to do. The notice must state the name and address of the person, or, if a firm the name and address of the firm and must be signed by the person or firm, or his or their solicitor (if any) and must be served, or, if posted, must be sent by post in sufficient time to reach the above-named not later than four o'clock in the afternoon of the 9th day of April, 1976.

No. 00926 of 1976

In the HIGH COURT OF JUSTICE Chancery Division Companies Court. In the Matter of ARLOVALE LIMITED and in the Matter of The Companies Act, 1948.

NOTICE IS HEREBY GIVEN, that a Petition for the Winding up of the above-named Company by the High Court of Justice was on the 8th day of March 1976, presented to the said Court by THE MAYOR ALDERMEN AND BURGESSES of the Royal Borough of Kensington and Chelsea of the Town Hall, Kensington High Street, London, W.8, ...

'finers back demand)r TUC congress n economic policy

ROY ROGERS, LABOUR CORRESPONDENT

URE for a special TUC is to discuss Britain's do position and future licy built up yesterday, the executive of the il Union of Mineworkers the move.

NUM executive unani- supported calls from its gest areas, Yorkshire and ham, for a special TUC s designed, above all, to e NUM some indications pay policy before the annual conference in

National and Local ment Officers' Associa- he fourth largest TUC has already issued a simi-

move is also supported lers of other unions, in- the National Union of Employees, National of Teachers, Civil and Services Association and tion of Scientific, Techni- Managerial Staffs. How- iost of these are more about the Government's d spending cuts than icy.

ugh the NUM called for al one-day congress, Mr. rmley, miners' president, ter that even a purely rtive TUC conference of ies would at least give an on of feelings on pay he TUC.

year the NUM had to f ignore" its own conference decisions in order to comply with the £6 policy, which emerged later.

But Mr. Gormley warned that the union could not afford to continue ignoring conference decisions.

"We have got to know where we stand before this year's NUM conference," said Mr. Gormley.

He is only too well aware that NUM militants will try at the July conference to "oppose all form of wage restraint," and tie the union to a demand for increases of up to £33 a week.

Explaining yesterday's decision, Mr. Gormley said that there had been many developments since the last TUC Congress, including rising prices and unemployment and the falling value of the pound.

A special TUC conference would also enable the TUC to prepare for an early general election, he said. Further Government defeats in the Commons might force the Government to go to the country.

Demands from Yorkshire and Derbyshire miners' leaders for Mr. Gormley's resignation for his part in successfully reversing a recent executive decision over the proposed closure of Langwith colliery in Derbyshire were raised only briefly yesterday.

Mr. Gormley told the executive he would reply by letter, but told journalists later that he had no intention of resigning.

Ford negotiating body faces inter-union split

BY LORELIES OLSLAGER, LABOUR STAFF

ONE OF Ford Motor's most cherished achievements in industrial relations—the national joint negotiating committee with all the unions represented in the company—is in serious danger of breaking up because of inter-union differences over the representation of skilled and unskilled workers.

The two sides found themselves so far apart at a meeting yesterday that they felt they had to consider separate national negotiating machineries. They agreed that each should draw up its own proposals to be presented to the company.

Ford is expected to do its utmost to resist a splitting of the committee, which it considers vital for smooth negotiations, particularly on pay.

The company's policy is not to make any agreement with any of its unions unless it is acceptable to the others, and it feels that two separate negotiating bodies would make that principle extremely difficult and cumbersome to follow.

Yesterday's decision by the union-side of the committee came after years of agitation by Ford craftsmen against the dominant position in the negotiating machinery of the Transport and General Workers' Union—which represents mostly semi-skilled and unskilled workers. One of their main complaints is that as a result their pay differentials have been eroded.

The craftsmen's complaint is not about the composition of the committee as such, but about the preponderance of TGWU stewards on the Ford joint works councils and on the vital national convenors' committee which oversees all national negotiations.

The TGWU stewards recently confirmed their reluctance to give the craftsmen any seats on these bodies as of right. The craftsmen in turn asked for a separate convenors' committee.

Yesterday's meeting apparently saw the TGWU and the Amalgamated Union of Engineering Workers, which represents most of the skilled men, at loggerheads and unwilling to compromise in spite of appeals for a peace formula from some of the smaller crafts unions.

With the unions thus set on the road towards separation, the preservation of the committee will depend on Ford's skill in handling the situation.

The company has already tabled its own proposals for the future, which tried to give something to everybody but nonetheless were found unacceptable by both sides so far.

● Vauxhall Motors, threatened with a strike at its Luton plant, yesterday changed the dismissal of a militant shop steward into suspension on full pay until a joint management-union committee considers the case next week.

Toolmakers' walk-out could halt Rover production

By Our Labour Staff

ALL EIGHT of British Leyland's Rover plants in Birmingham and Cardiff, which employ nearly 20,000, are threatened with a progressive shut-down as a result of the walk-out last night by all 400 toolmakers.

The toolmakers say that they are entitled to extra money on premium rates ranging from a few pence to £2 under a national agreement which provides better rates than Rover rates.

They want the pay backdated to last year's agreement.

Plant conference

The dispute has been through British Leyland procedures, culminating in an extended plant conference on Wednesday involving officials of the Amalgamated Union of Engineering Workers, to which the toolmakers belong, and several other unions.

Rover management has offered to take the dispute to independent arbitration, such as the Advisory Conciliation and Arbitration Service, and abide by the result.

Train drivers give back-to-work call a mixed reception

BY LORELIES OLSLAGER, LABOUR STAFF

DRIVERS ON British Rail's Eastern Region gave a mixed response yesterday to their union's call for a return to work pending further talks with British Rail on the controversial cuts in services that sparked off the stoppages.

Mr. Michael Foot, the Secretary for Employment, appealed in the Commons to the drivers to heed the call from their union, the Associated Society of Locomotive Engineers and Firemen, but gave no indication that he was considering intervening in the dispute.

Drivers at Leeds, Bradford, Scunthorpe, Knottingley and Gateshead (Newcastle) decided at mass meetings to return to work, but at London's King Cross station the men voted to stay out until Monday morning. Drivers at Howe will meet again to-day to discuss their attitude.

Many Eastern Region services are expected to improve to-morrow, but services from Kings Cross, particularly for commuters, will remain severely disrupted.

Assurances

The partial return to work may be only short-lived, however.

The ASLEF executive decided on Wednesday to seek assurances from British Rail at a regular meeting with the unions to-day that the changes in the Eastern Region timetable introduced on March 1 would be suspended until there was agreement with the union.

If ASLEF does not get satisfaction to-day, the executive will meet again immediately to consider further action.

British Rail yesterday replied to the union's claim for a "substantial" pay increase from next month. No details were released, but it is known that the management has been considering a formula that would be difficult for the unions to accept because of the way it treats the 2.5 per cent. pay rise railwaymen received on August 4 as the second stage of their last agreement.

If, as expected, British Rail is proposing to take that increase off basic rates and incorporate it into the permitted £6-a-week pay rise as a special supplement to earnings, the unions can be expected to put up considerable resistance.

In presenting their claim on Wednesday, the unions said that they were prepared to remain within the pay-policy guidelines this year but the National Union of Railwaymen said that it intended "to seek to restore railwaymen's living standards" later.

Drivers' ban 'threatens £1m. deal'

A CAR delivery company warned its drivers last night that their ban on handling foreign cars could mean the loss of a lucrative overseas contract, as well as 70 jobs.

Mr. Derek Beaumont, managing director of Cartransport BRS, based in Leamington Spa, said that a £1m. a year contract with Fiat was on a knife-edge.

"If we do not get Fiat cars delivered before the end of March, it will be critical," he said.

About 36 men at the company's Coventry storage yard say that they will not handle deliveries of foreign cars until they have cleared a backlog of British Leyland cars, as they are backing a British company against its competitors.

The dispute worsened yesterday after three Fiat dealers drove away Fiat cars.

Mr. Beaumont said: "Yard handlers have now stopped deliveries of British Leyland cars as well as foreign cars."

/omen seek bigger 'ade union role

)UR LABOUR STAFF

V TRADE unionists ay demanded a much role in the union ent and urged more nent and more encour- t for working women to full-time union officials, ve members, shop s and conference es.

view was vigorously ed by ardent women's at the annual TUC s conference in South- here delegates from 50 with women members d the next steps in their r equality in the work

g the changes the Con- demanded to combat in trade union activities among women was that union branch meetings should be held at work in the employers' time, to help women with families to be more active in union affairs.

The conference was split, however, when some unions demanded that the TUC Women's Conference should be abolished on the ground that it was outdated, divisive and regarded by many men as a harmless "hen party."

A man successfully persuaded the delegates to retain the women's conference. Mr. Ken Gill, Communist leader of the draughtsmen, claimed that since women were poorly organised in the TUC, there was a basic need to give them "subsidised treatment."

ALGO moves to halt y policy support

AVID CHURCHILL, LABOUR STAFF

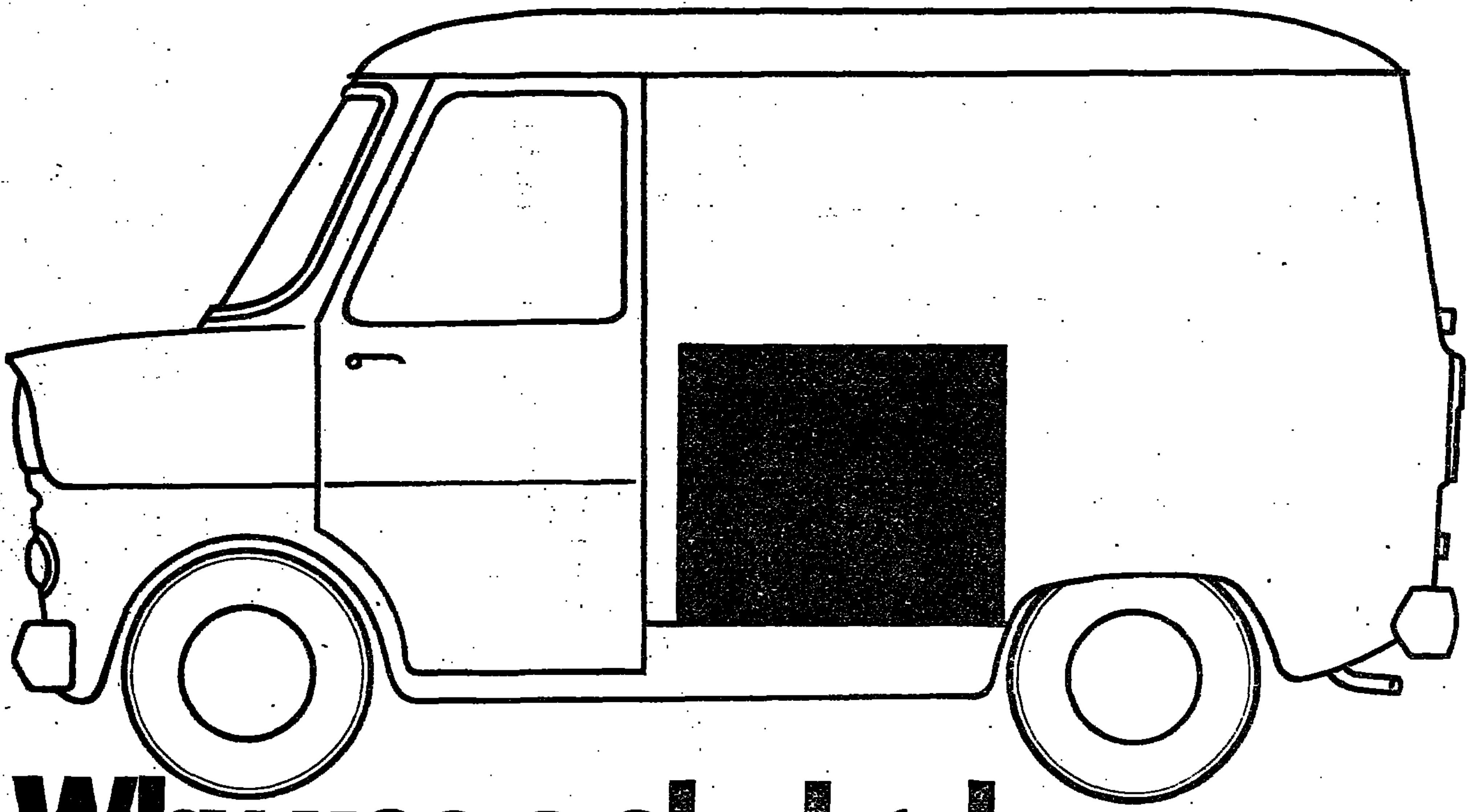
for the withdrawal of for the Government's cy will be discussed at al conference, in June, 540,000-strong National al Government Officers' on, the fourth largest on.

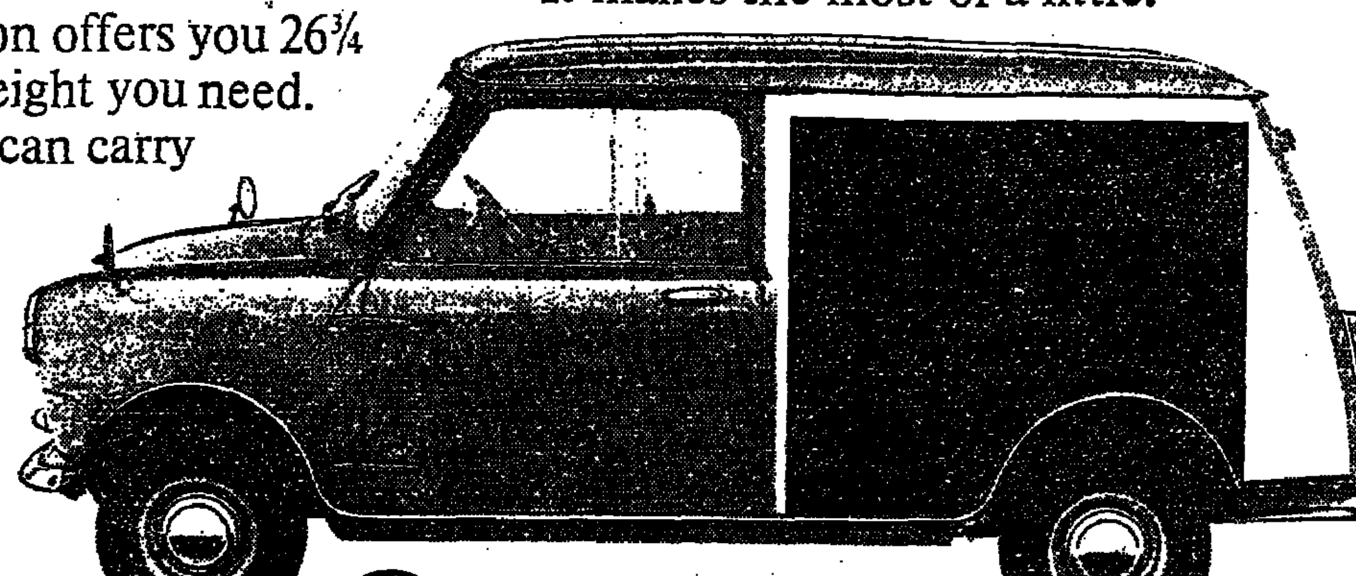
l branches have put up ce motions saying that rnment has broken its the Social Contract by public expenditure and ing an "unacceptable unemployment," and , the union should not a policy of pay restraint. will urge the union to motion against the pay this year's TUC Con- d also to oppose any support wage restraint. month, NALGO's execu- f called for a special igress or a conference executives to determine the next stage of the pay policy in light of the Government's record on unemployment and public expenditure.

At the NALGO conference, in Eastbourne, there will also be a call by Scottish gas members for the TUC to mount a publicity campaign against the cuts and for the union's executive to co-ordinate industrial action in protest.

In spite of the threat to withdraw from the Social Contract, the form of future pay claims will also be disputed. Rival motions have been tabled arguing in favour of either flat-rate or percentage increases.

The TUC's own economic policy also comes under fire with a resolution from the Leeds branch for a "reappraisal" in favour of policies which deal with the "primary causes of inflation which are not wage-related."





BOOKS

Cuban master

BY C. P. SNOW

Reasons of State by Alejo Carpentier, translated from the Spanish by Frances Partridge. Gollancz. £4.95, 311 pages

We lose a lot, most of us, through not being familiar with Spanish literature. By Spanish here I mean anything written in the language, either in Europe or Latin America. It was not until recently that I had read a word of Perez Galdós. I am now convinced that he is one of the major novelists of all time. In fact my private list of the five supreme novelists has now been increased to six. Galdós (1843-1920) was born in the Canaries, but for all effective purposes was a metropolitan Spaniard. Since his time much of the most dashing Spanish-language writing has come from right outside Spain, from the other side of the Atlantic.

Alejo Carpentier is an example. He is a Cuban, French educated, steeped in French culture, rather like the North American expatriates of the 1920s. Like them he returned home, and this latest novel appears to have been written in Havana. He is a most interesting and original writer. He has had some acclaim in this country, largely through the efforts of J. B. Priestley. In his long life Priestley hasn't made many mistakes in spotting talent. Sometimes he has been over-generous or over-ecumenical, as Arnold Bennett was, but that is a fault of all critics who do good to literature, the fault which as we look back makes Belinsky stand out as a far grander and more positive figure than Sainte-Beuve.

Somehow, though I should normally seize on anything recommended by Priestley, I didn't in the case of Carpentier. Perhaps that is an indication of how Spanish literature slips away from us. So *Reasons of State* is the first novel of Carpentier's that I have read. It is impressive. For the moment I am not sure that it is totally successful, but it is a work that only a novelist of quite exceptional power and gifts could write.

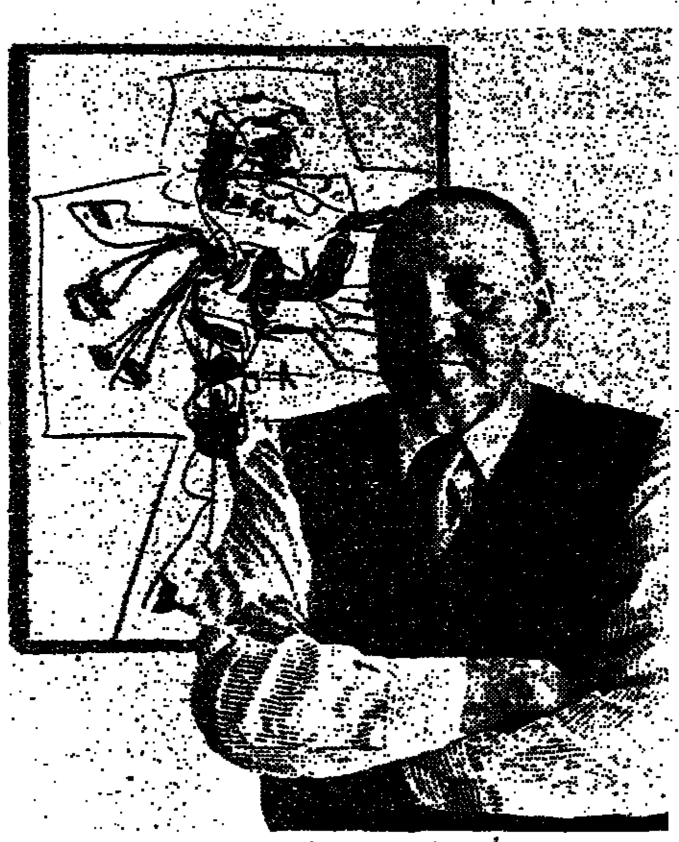
It is utterly unlike most novels now being writen in English, in particular North American art novels. Carpentier, one feels, would make some robust Cuban observations on the campus concept of novels as autonomous verbal structures or on art novels in general. He lives in this world, and his own novels are part of the flesh and bone of this world. His men and women are jeered at, celebrated, loved, anatomised, but he is one of them himself, he exists—as someone once said was the first necessity for a human being of our time—in the odour of man.

This novel is as remote from fashionable aesthetics as Doctorow's *Ragtime*, though Carpentier has much aesthetic sensibility. There are actually some faint similarities with Doctorow's novel. This one is set in the same period, just before and during the First World War, but in Paris and a Latin-American country instead of Doctorow's American East Coast. Carpentier uses history as freely as Doctorow. He doesn't use real personages in imagined scenes, but he does play a similar trick with literary personages—that is, one finds that Proustian characters enter the book, and take an unobtrusive part in the social background. The central figure of *Reasons of State* doesn't make Parisian high society, but is entertained three times by Madame Verdurin. Morel isn't anxious to answer the telephone. After the war, Elstir is disgruntled because the prices of his pictures are going down, and so on. It is a pleasant decoration for anyone familiar with Proust, and won't hurt those who aren't.

The central figure is a Head of State. The State is small, poor until the war brings prosperity, geography never defined, but somewhere in Central America. Vaguely one imagines a territory like Nicaragua. It took great boldness to write from the inside about a Latin dictator, and underneath the crackling humour and the knockabout bawdiness to write seriously about him as a human personality. It is hard to recall any similar attempt to deal in fiction with something like unregulated (though precarious) power. Anthony Hope had a brave attempt at it in *The King's Mirror*—a very good book, in some ways more psychologically penetrating than Carpentier's, but without the realism and sheer animal force.

To say that the Head of State's power is precarious is to put it mildly. He has to leave his beloved Paris twice to crush insurrections—crush them with ferocity, for he has brutish impulses which co-exist with political calculation and a perfectly genuine love for Baudelairean poetry. Finally he is deposed by a third insurrection, is protected by an American consul and returned to Paris. There he drags out some sort of life, though this isn't his pre-war Paris and his old artistic friends are dying or dead. Disappointed, not entirely defeated, he dies himself.

Some of this picture is satirical, but the character is strong enough to break loose from the satire. Carpentier's talent is strong enough to break loose from all constraints. Warmly recommended, in particular to those who think that large scale novels can no longer be written and to young novelists who are trying to find their way. The translation reads uncommonly well.



Alejo Carpentier: dictator's dilemmas

Changing the rules

BY PHILIP GOODHART

Parliament for the People by Joe Rogaly. Maurice Temple Smith, £4.95, 181 pages

Between 1875 and 1958 France changed its electoral system no less than eight times. Of the five different systems used during that period only one was used for more than two successive elections. In Great Britain, however, the system has been largely unchanged since 1885. For more than 90 years candidates put forward by nationally established political parties have normally contested single-Member constituencies.

Now the British system is under heavy attack. Critics point out that this Labour Government has been able to press ahead with a left-wing, socialist programme although Labour Party candidates won only 39.3 per cent. of the votes cast at the October 1974 General Election—if one takes into account all those on the register who did not vote, Labour's share of the poll drops to 28.6 per cent. Meanwhile the system also seemed grossly unfair to the Liberals. In October 1974 the Labour Party elected one Member of Parliament for every 35,915 Labour votes, while it took 411,288 Liberal votes to elect each Liberal Member of Parliament.

By chance this criticism comes at a time when we may soon have to choose voting systems for new assemblies in Scotland and Wales as well as selecting a method for directly electing Members of the European Parliament at Strasbourg. After years in which it seemed that the cause of electoral reform was kept alive almost single-handed by Miss Enid Lakeman, it looks as though arguments about the respective merits of the various schemes of proportional representation may actually start edging their way towards the centre of the political stage.

In 1918 the treasurer of the Proportional Representation Society reckoned that there might be 300 different proposals for proportional representation in existence. The number of schemes may well have doubled since then. It is a deplorably complicated subject; and Joe Rogaly has now produced a forceful, clear, powerfully-written handbook which not only explains the German system, the Irish system, and the single-transferable vote, but will also give the attentive reader a nodding acquaintance with such exotic mysteries as d'Hondt's rule and the Droop quota.

Joe Rogaly is critical of the post-1958 French system of double elections — which I believe has considerable merit —and he has some hard words to say about the alternative vote, a system which is being widely canvassed by the Liberal Party. As Joe Rogaly points out, the alternative vote "has not produced fair shares for parties in the Australian House of Representatives — rather the opposite." Indeed, it could be argued that the alternative vote helped to produce an Australian Government under Gough Whitlam which was so extreme and so unrepresentative that some of its policies might even have made Barbara Castle recoil in horror.

Joe Rogaly does like the German system under which exactly half the 496 Members of the Bundestag are directly elected constituency members—representing an average 161,000 voters—while the other half are taken from the rival party lists in proportion to the number of votes cast. But no German party which gets less than 5 per cent. of the total votes cast in the Federal Republic is entitled to any of these party list seats.

The result, after applying the d'Hondt rule and the Droop quota, is a Bundestag in which there is a large Labour Party, a large Conservative Party and a small Liberal Party—which may sound like the balance to be found not a hundred yards from Westminster. Certainly there are many people who would concede that West Germany has an infinitely better economic record than ours. But how much of this is due to a better electoral system within their trades unions rather than for their Parliament?

If, as Joe Rogaly argues, the failure of the post World War I Weimar republic should not be ascribed to the system of proportional representation they used then, perhaps we should not ascribe too much of their post World War II success to their present electoral system.

Joe Rogaly deserves to win fewer friends for his arguments in favour of pre-election primaries to choose party candidates—an issue brought into the headlines by the troubles of Reg Prentice. As Joe Rogaly concedes, primaries are really not possible without fixed election dates. Very well, he argues, have fixed election dates. But fixed elections are incompatible with an executive dependent on continued support in the House of Commons. It seems a high price to pay, constitutionally, for the continued presence of Reg Prentice. Surely the Labour Party can find some simpler method for dealing with their Trotskyites.

It is a pity, perhaps, that Joe Rogaly is so obsessed with asserting the case for absolute mathematical fairness that he does not turn his mind to the considerable problem of how proportional representation might be introduced. After all, an alteration of the rules while the game is in progress can hardly be left to the players. And any attempt to alter our traditional voting procedures will be bound to provoke cries of "foul" from those who think they may be hurt. We should get the ground rules for change accepted now, before the political infighting really starts. Back in 1911 A. J. Balfour, as leader of the Conservative Opposition, moved an amendment to the Liberal's Parliament Bill which said that there should be no major change in the electoral system, or any change in the powers of the House of Lords, or any regional Parliaments in Scotland, Wales or Ireland, until the proposed Bill had been approved by a referendum. Joe Rogaly may be right about the merits of the German voting system — Balfour was certainly right about the need to get a mandate from the people before we change the rules.

Publish and be demoted

BY ISOBEL MURRAY

Miss Silver's Past by Josef Skvorecky, translated by Peter Kussi. Bodley Head. £3.50, 297 pages

Ash by David Walker. Collins, £3.50, 256 pages

The Vampire of Mons by Desmond Stewart. Hamish Hamilton, £3.50, 169 pages

Julia by Peter Straub. Jonathan Cape, £2.95, 287 pages

As Graham Greene tells us in his preface to *Miss Silver's Past*, the novel was the last of Skvorecky's books to appear in his native Prague, and "reading it now one feels astonished at the degree of freedom that came to writers under Dubcek." The book actually concerns the problem encountered in a State publishing house, where a man's career could be in jeopardy if he decides not to spell God in lower case, and where Duke Ellington's name is omitted from an already emasculated book on Western Jazz because "it seems there's a strict ban on praising aristocrats."

The tight-rope-walking tension of decisions and infighting about the political implications of new books is authentic, and central to the story, and the decisions are always political rather than literary and usually craven. But the sheer absurdity of some kinds of "revisionism" is totally bizarre: like the passage where two seventeenth-century priests meet in front of a fireplace (rather than a chapel), shake hands (rather than crossing themselves), and greet each other with the words, '*Pax tecum*, comrade.'"

So the comedy is always tempered by or brought up short against the realities of the situation, where cabals and committees endlessly discuss the advisability of publishing certain authors and certain works, and only the lovable, crude, big-busted and rather naive Dasha Blumenfeld is prepared really to fight for a work she believes in. She has the courage of her convictions: few others have any convictions. Our hero, Karel Leden, like our author, has learned to be less heroic, less naive (Skvorecky's first novel was severely attacked and finally banned, and he lost his job as an editor). Karel knows the score, doesn't much like it, but endeavours to make the best of life, and early in the book this narrows down to his attempts to make Miss Silver the beautiful newcomer to the bureau of Bio-Ex.

Lenka Silver drives everything else out of Leden's mind, including his girlfried Vera, and the possibility that his friend Vasek has a prior claim on Lenka. The book is in part a love story, that does something to cut through Leden's cynicism. He is hurt and appalled when Lenka appears to flirt with his ageing, balding, but relatively important Chief, but the character of the book changes when the Chief meets a very sudden end. The dénouement of the detective story, as of the love story, underlines the blackness of the human comedy of the book, and the casual exactness of the style, witty and spare, entirely justifies the rare honour of a Preface by Greene.

David Walker's *Ash* is something more than an action-packed adventure story, although it is that too. First of all, it is marvellously constructed, so that what we learn of Nigel Ash, the central character, unfolds in a complex but apparently inevitable way. An ex-fighter pilot with a stormy past, Ash comes to convalesce in a log cabin in the Canadian wilds lent by his prosperous brother. He develops slowly and gradually, falls in love with his sister-in-law, is trusted by dogs, woodsmen and even, acid-test, by the younger generation. He begins to write a novel, his first which is clearly in part an exorcism of things in his own past. The natural surroundings, the deer he sees at twilight, all begin to give his life a pattern.

But an older pattern supervenes, the pattern of white-hot fury and readiness to kill, and before long Ash is following the plot of his own novel, a killer hunted across wild lands by the heavy boot of the law. David Walker makes excellent use of all the things he is good at: his feelings for wild life, his tight understated dialogue, his intricate and impressive plotting.

The Vampire of Mons is a new phenomenon for me, a Gothic school story. Mons is one of the Houses at Malthus College, the kind of place where boys are sent who have been invited to leave better known establishments, and the book, set in 1939, is overshadowed by the memory and the promise of war. Hero Clive Swinburne becomes friends with the two "new louts" who arrive coincidentally with him, Darwin Corelli and Theo Sturges (Gothic even to the names).

But Clive is increasingly disturbed by the influence of Doctor Vitaly, musician and physics teacher, on his two friends. When Vitaly decides to make a film the two are drawn into a mysterious world of evil, tension, vampirism, demonology, you name it. And Clive sits on the edge wondering all the time if he is exaggerating the atmosphere of evil out of jealousy. The climax of the book fully justifies and expresses the collective mania that leads to it. A macabre but powerful little book.

Peter Straub's *Julia* also sets out to be disturbing, and succeeds. Julia Lofting impulsively buys a Kensington house that seems to offer her peace after her flight from an over-bearing husband, her daughter's death, a breakdown. Instead, she is increasingly frightened by a presence in the house oddly like her dead daughter, Kate, and while we might suspect Julia of an over-vivid imagination, other characters reluctantly admit they see things too. Julia becomes consumed by the need to discover the historical facts behind the apparitions, but horror is piled on horror when she begins to suspect her husband's role in a 20-year-old mystery, and that his first daughter may have been murdered because of her evil nature. The past seeks revenge on the present, and the outcome is an uneasy, unpleasant tale, with a certain horrid fascination.

David Walker: fighter-pilot's saga

Welshman in Australia

BY DR. DAVID CARRICK

Diary of a Welsh Swagman by William Evans, Macmillan; £5.50, 216 pages

With a large stone as a writing desk and another as a seat, the 58-year-old Welshman scratched away with a quill on the banks of an Australian river. He was writing his diary, a task he carried out for nearly 60 years from 1839 onwards.

Victorians were inveterate diarists, but few of the jottings of the majority are of notable interest. This is an exception for several reasons. It is well written: entertaining and, above all, provides a remarkable picture of the rough, tough life experienced in Victoria over one quarter of a remarkable century. But there is also a mystery. Why was the writer in that primitive society at all, 10,000 miles from his native Wales? Certainly he gives no clue in his accounts of those years, and although the piece he was writing on the stone was more humorous than usual, it provides a revealing vignette of the difficulties he encountered.

The date was May 1876, and the writer notes: "Up at 4.30 a.m. I take out four horses to draw the double-furrow plough." After some hours (and he often ploughed for 14 hours a day for 5s.) he gave up as the ground was too hard. Then, after "being kicked in the thigh by a colt," the Master's wife, Mrs. Clarke, ordered him to clean two pigsties. "They were last cleaned nine years ago," observes the diarist, noting that the litter was six feet deep so that he had to remove the roofs before he could begin. So fearful was the task that he felt that Hercules had it pretty easy with the Augean stables. At last he was finished, hot, filthy and exhausted and he presented himself to Mrs. Clarke whose sole comment was: "Wash your boots before you come into supper."

Doubtless this and many other of his adventures were commonplace in the life of the swagman. But this was no ordinary swagman or itinerant jack of all trades. This was a man of good yeoman stock who had been a successful farmer in Cardiganshire, a poet of note, a prominent educationalist, a local worthy and one to whom the poor could turn for advice in matters of law or money; and whose remarkable knowledge of irrigation and other complicated aspects of husbandry was eagerly sought by wealthy landowners. He was also married with nine children.

Yet, at the age of 51, he threw all this away and emigrated to Victoria where he remained, constantly travelling by foot from farm to farm and putting his hand to every conceivable work from sheepshearing and ploughing to rope-making. Never rich and usually very poor, he endured much suffering from great heat, cold, privation, illness, accident (including snakebite) and many more misfortunes in a 25 years of unremitting toil before he returned home to enjoy five years in his own Wales.

Throughout those years, this remarkable man, Joseph Jenkins, recorded the trivia of life that form the very essence of history in a lively and most readable fashion, liberally interspersing his prose with poetry. Surely he wished his words to be printed and it is very fortunate that his grandson, Dr. William Evans, famous cardiologist and litterateur, was there to edit these diaries with great skill and felicity so that the whole is a valuable sociological and economic study of an era while remaining an exciting and true Victorian adventure story.

Sleeping giants

BY PETER KEATING

Carlyle Past and Present: A Collection of New Essays edited by K. J. Fielding and Roger L. Tarr. Vision Press, £4.95, 279 pages

A Year's Letters by A. C. Swinburne, edited by F. J. Sypher. Peter Owen, £5.00, 195 pages

In his iconoclastic novel *The New Machiavelli* (1911) H. G. Wells predicted that in a hundred years' time no one would value Victorian art and literature except for "curious or historical reasons." With nearly 40 years still to run that can be allowed to rank with Wells's sillier prophecies. One by one the major Victorian writers have been rediscovered and their continuing importance as living classics of our literature acknowledged. Yet there remain a few Victorian authors for whom a case based on reasons other than the "curious" or "historical" has still to be made, and pre-eminent among these are Carlyle and Swinburne.

The editors of *Carlyle Past and Present* introduce their collection of essays with a description of Carlyle as "one of the most enigmatic Victorians," a man who is "still imperfectly understood," and claim that "the proof of his importance still lies in his relation with his contemporaries." Most of the contributors to the book share this kind of historical approach. G. B. Tennyson traces the rise and fall of Carlyle's reputation; David DeLaura compares the religious views of Arnold and Carlyle; George Ford conjectures on possible literary connections between Dickens and Carlyle; and, in the liveliest of these essays, K. J. Fielding untangles the complicated squabbles and rivalries over Carlyle's manuscripts that resulted from his vaguely-worded will. Other contributors offer detailed studies of individual works: *Past and Present*, *Latter-Day Pamphlets*, *Sartor Resartus*, and *Frederick the Great*.

While all of this adds to our knowledge of Carlyle's life and times, there is no sustained attempt to justify Carlyle as a living force. G. Robert Stange argues persuasively for the "indestructible energy" of *Past and Present*; C. R. Sanders for the artistry of Carlyle's vivid verbal sketches of his contemporaries; and there are many admiring references to both Thomas and Jane Welsh Carlyle as brilliant letter writers. But if more comprehensive claims than these cannot be made for Carlyle then something is wrong with him. Just what, is suggested by Professor Fielding:

> He was a short-range thinker with a supreme power of expression, often capable of his best in speech, diary and correspondence, but too self-questioning to write anything which was fully self-consistent and self-developing in design.

This is surely right. It recognises both Carlyle's enormous influence in the past and that side of his work which belongs still in the present.

Swinburne's current reputation is even lower than Carlyle's, and the publication of *A Year's Letters*, a curiosity in many senses, is unlikely to change things very much. First serialised, under the pseudonym of Mrs. Horace Manners, in 1877, then published in a slightly abridged form in 1905 as *Love's Cross-Currents*, it now appears unexpurgated and impeccably edited by F. J. Sypher.

Swinburne's instinct in choosing the unfashionable epistolary form for his novel was sound. As a whole, *A Year's Letters* survives as a minor, rather mild, satire, but the letters of Lady Midhurst, who spends her time skilfully manipulating her colourless younger relatives into sexual intrigues which never quite take place have no exact counterpart in Victorian fiction: cynical, worldly, epigrammatic, and superbly revealing of her true character, they display a side of Swinburne's art that was unfortunately developed no further. Perhaps, like Carlyle, he also was too obsessed with visions and versions of himself to build upon the streak of genius he undoubtedly had.

Crimes

BY WILLIAM WEAVER

Remembered Violence by Ronnie Mutch. Hutchinson, £3.75, 186 pages

The Republic of South Africa and its dreaded Special Branch are more and more popular with thriller writers. After the nice irony of James McClure, now Ronnie Mutch has written in searing anger, a story—which has the clarion ring of truth—about some saboteurs. His protagonist, Louis Grayling, is an original and likeable anti-hero, whose biography, given us in flashbacks and reminiscences, is a fine piece of social history, embedded in the adventure of the desperate outlaws. The book offers no false hope (that would be intolerable in this context), but it gives us, more valuably, a slice of an unfamiliar and disturbing reality.

Fletch by Gregory McDonald. Gollancz, £3.20, 197 pages

"Almost a spoof" the dust-cover tells us. Almost, but not quite. This fast-paced novel, a best-seller in the States, is more reminiscent of those wise-cracking movies of the 1930's, about newspapers, with the tough reporter out to get a scoop, the wise old dame who writes Social Notes, the drunken editor, and so on. Repartee, 40 years on, is inevitably a great deal earthier, but the heady atmosphere is much the same. The story itself —about drugs, corruption, and a mysterious millionaire—is smooth and easy to digest. All done with zip and economy.

The Modigliani Scandal by Zachary Stone. Collins, £2.95, 192 pages

Frustrated artists, arrogant dealers, and a wonderful mad chase after a rare Modigliani, in an out of the way Italian village. The posh dealers are caught in an embarrassing situation, girl gets boy, and no harm is done. A sprightly, ebullient first novel.

Funny fellows

BY B. A. YOUNG

Woody Allen and his Comedy by Eric Lax. Elm Tree Books, £3.55, 242 pages

Getting Even by Woody Allen. Warner Paperback Library, $1.25, 110 pages

Tony Hancock by Philip Oakes. Woburn-Futura Paperback, 95p, 96 pages

George Formby by John Fisher. Woburn-Futura Paperback, 95p, 96 pages

Eric Lax played Boswell to Woody Allen for two years, and his book is a model of its kind. It is not biography, though there is much biography in it; it is a study of the way in which Woody Allen works in devising his highly individual comedy.

Woody Allen began as a teenager writing jokes for stand-up comics and for television. After a time he thought, why not be a stand-up comic and use the jokes myself? But a longing to include coherent story-lines in his material drove him to writing plays for the theatre and scripts for the cinema. Whatever he is doing, he is generally doing something else at the same time; he is a compulsive writer. He also plays the clarinet well enough to sit in with good New Orleans bands.

Most of Eric Lax's book is devoted to films, for in this medium Woody Allen is not only creator but director. His methods are scrupulously examined through the words of himself and his fellow workers ("when he is quoted it is accurate and in context," the author promises) and the result is at the same time interesting and entertaining.

Some examples of Woody Allen's work on small scale are contained in *Getting Even*, a slim volume of short pieces available only in the U.S., most of which were published in the New Yorker. They are recognisably from the same mould as *Sleeper* and *Love and Death*, almost always originating in a satirical spin-off from a serious original — literary criticism, psychoanalysis, Ingmar Bergman, championship chess—and always showing a true understanding of the model.

Tony Hancock and *George Formby* are from a projected series, "The Entertainers." They do not aim to go very deep in their examinations, much of the room being taken up by photographs. (In the case of *Tony Hancock*, these are sometimes absurdly laid out; two of the double-spreads have Hancock's face lost in the gutter between the pages.) Philip Oakes was a friend of Hancock's, and gives a sympathetic personal reminiscence that does not attempt to supersede *Hancock*, by Freddie Ross and David Nathan. Mr. Fisher recalls Formby only through research and nostalgia; for all the accounts of record-breaking success, he is never able to persuade me that Formby was more than a lightweight "silly-little-me" comic, which is how I remember him. Perhaps this was the secret of his success?

Post-Stalinist society

BY ANTONY FLEW

The Cultural Contradictions of Capitalism by Daniel Bell. Heinemann, 1976, £5.75, 317 pages

This volume consists of previously published material, reshaped and rewritten in order to make a book. The author, an unusually widely read and widely interested Harvard sociologist, sees it as in some way complementary to *The Coming of Post-Industrial Society*. The "contradictions" of the title are between the requirements of the economy and the ideals or inclinations of the culture: between, on the one hand, the disciplined and rational prudence of cost-benefit analysis; and, on the other hand, the cult of feeling, personal gratification, and total fulfilment.

After "A Statement of Themes" the work divides into two unequal parts. The first and longer, called "The Double-Bind of Modernity," deals with such topics as "The Disjunctions of Cultural Discourse" and "The Sensibility of the Sixties." The second, on "The Dilemmas of the Polity," considers questions of the sort treated—and for my money much better treated—by Samuel Brittan in books, IEA pamphlets, and articles for The Financial Times. Certainly anyone who reads this latest Daniel Bell will get pleasure and profit from so doing. Yet the actual result of the author's efforts to produce another book rather than a miscellany of occasional papers is only to underline the truth that many shrewd and illuminating remarks, some interesting facts, and even some eloquence, still do not add up to either a plausible theoretical contribution or a single strongly argued practical thesis.

Let us by all means note that "The Protestant ethic was undermined . . . by capitalism itself. The greatest single engine in the destruction . . . was the invention of the instalment plan . . ."—fly now, pay later. Let us enjoy both Time magazine on California—"I have seen the future, and it plays"; and the anonymous new epitome of Bell's earlier trend-spotter *The End of Ideology*—"all 'isms' are now 'wasms.'" Let us ponder too such wry facts as that the founders of the Black Panthers had the leisure and opportunity to establish their party and to write its manifesto while on the payroll of the War on Poverty.

But Bell's treatment of the political economy of late capitalist society, although it has its own special interest as an American view, is clearly inferior to the best of our home products. Typically he never explains, or decides, what he wants to mean by the word "socialism." Thus he discounts the ever-increasing array of countries which quite clearly are, in the traditional Clause IV sense, as near as makes no matter, fully socialist, as "the so-called socialist states." Yet he never says what they would have to be in order to deserve that epithet. In the introduction "state capitalism" is contrasted with "state socialism," but with no explanation and no answer to the question: "What other sorts of socialism are there?" At the end, discussing "The Public Household," Bell apparently reverts to a Clause IV understanding. For he puts the crucial challenge: "Whether socialism is economically viable in an advanced industrial society . . . *without coercion and loss of liberty* . . ."

It would have been salutary to add that our most dedicated enemies have no doubts about the actual incompatibility. The Moscow Institute of Marxist-Leninism, for instance, recently stated:

> "Having once acquired political power the working class implements the liquidation of the private ownership of the means of production. . . As a result, under socialism, there remains no ground for the existence of any opposition parties. . ."

Bell does not pursue this question. Again, although he notices that markets give a direct share in decision-making to individual private people, and although he sees some of the dangers of putting more and more into the political domain, he seems never to entertain the notion that anything might be shifted back from politics to markets.

I am, therefore, at a loss why a writer in New Society should have said that "Bell's book makes Mrs. Thatcher sound like a committed socialist." He proceeded to reproach the writer reviewing it in the New York Times for his unacceptably "tender . . . tone of voice"! Bell was, I fear, previous in saying that the 1950's "witnessed the final rupture of the intellectuals from Stalinism."

هكذا من الأصل

In the last five years, Communist bloc countries have considerably stepped up their car production. Terry Dodsworth examines the fruits of Fiat's Polish link

Poland's drive into new car markets

Fiat 126 bodies on Poland's former Syrena production lines. This model will basically be sold at home, but the Polski-Fiat 125 is already making significant inroads in Western markets.

A PERENNIAL fear of the European motor industry is that Russia and its satellites will one day turn on the taps and flood Western markets with cheap cars and trucks. So far, this vision of an export-oriented production machine fired by low-cost labour, boundless raw materials and subsidised factories remains little more than pure fantasy. Nevertheless, the Communist bloc has changed direction radically in the last five years on the production of consumer goods and its rapid move into the motorised age is being accompanied by a keen eye to exports.

Repressed

Nowhere is this more true than in Poland, a nation of 33m. people in which consumer industries were severely repressed until the ascetic Mr. Wladyslaw Gomulka was ousted from the Party leadership five years ago. Since then Mr. Edward Gierek has pushed the country's economy deliberately in the direction of consumer goods, with the car—and closely related truck—industry, almost inevitably, playing a dominant role. Some 25 per cent. of all Polish engineering investment over the last five years has gone into the motor sector.

The results, in purely statistical terms, are impressive. In 1970, Poland produced about 60,000 cars. Last year, the figure was little under 200,000, while, if all goes to plan, it will virtually double again by 1980. Overall, this would give Poland a motor industry of at least medium rank in terms of the rest of Europe. Even in the West, such a headlong rush into motorisation has been rare; in the planned economies of Eastern Europe it is being paralleled only by Russia.

Change at this pace inevitably strains the resources of any industrial structure. The Poles' answer has been to turn to Western technology to an unusual degree. More than any other East European country, it has sought agreements with established Western manufacturers in an attempt to conserve its own limited technological base and leap-frog several stages of development.

Thus, Fiat was chosen to supply the foundation of the new style car industry. In the late 1960s, the Poles made two basic models, the two-litre Warzawa and a noisy two-stroke called the Syrena. Both were outdated and produced in minimal volumes. To develop cars to the standards prevailing in the West would have demanded a large and time-consuming investment in research and development. The Poles decided they could not wait.

On its feet

The agreement with Fiat gave the Poles several of the things needed to set their industry on its feet. First, they got models that could be put straight on to the production line and built up with no real development snags. And, second, they were provided with a large amount of the tooling shipped out from the old production lines in Turin, and they also received a Fiat model—the 125—which had a proven record of acceptability in Western markets.

The final point was a key one, since the Poles needed to earn hard currency with their own exports to buy the Western expertise required to speed up industrialisation. And the motor car was the perfect large volume, large turnover article for collecting sizeable amounts of foreign earnings.

From the beginning, the Polski-Fiat 125 plant has been export oriented, with about 70 per cent. of its production going overseas. In Britain, where Polski-Fiat is aiming to double its sales to about 4,000 this year, these exports will go some way to balancing the deficit caused by heavy Polish spending on engineering and chemical plant products.

Future plans are equally ambitious. The Poles are already converting the Syrena production lines to another Fiat model, the 126, which will be sold basically at home (the Poles are apparently excluded from selling it in Fiat's traditional Western markets). The plan is to expand output from about 30,000 units last year to 200,000 in 1980.

At the same time commercial vehicle production will go up just as quickly, again with help from the West. Steyr-Daimler-Puch, the Austrian company, has agreed to construct a diesel engine plant and license heavy truck production; Massey-Ferguson, through its British subsidiary, Perkins, is to build a diesel engine plant for agricultural tractors; and Saviem-Berliet, the French concern, is co-operating on bus production.

Another agreement, which could be worth several million pounds to Vauxhall, General Motors' British subsidiary, is in the process of being negotiated for light trucks and van production. Euroeconomics, the Paris-based research organisation, has estimated that Poland's commercial vehicle capacity will rise from 87,000 vehicles last year to 210,000 by 1980 and 250,000 by 1985.

Whether the Polish industrial system can accommodate this pace of change remains to be seen. But Poland's strategy is already demonstrating some strong points.

Bridgeheads

First, unlike most countries which have purchased Western motor technology, the Poles have retained ownership and control of the venture. They have thus avoided the kind of problems faced by some infant motor industries — such as the marketing free-for-all which wrecked the Argentinian schemes in their early days, or the difficulty of adapting Western management systems.

Second, by limiting their range of vehicles, the Poles are able to achieve economies of scale even in early stages of manufacturing. This is fundamentally different from the South American pattern, where many small plants, each producing at uneconomic levels, have been the bane of the industry.

Third, the Fiat 125, despite its age, has sufficient life left in it for Polish purposes in overseas markets. With very little exporting experience behind it, the Polski-Fiat has now established bridgeheads in Iraq (4,000 vehicles last year), France (3,500), West Germany (2,500) and the U.K. (3,500). Having exported 70,000 cars last year the company is planning to tackle the U.S. market in 1977.

Polski's ability to make an impression on these markets with an ageing design is mainly dependent on its prices. In Britain, for example, the 1,500cc 125 sells at about £500 below its direct competitors. This has led to several unofficial charges of dumping.

Whatever the validity of these claims—and the argument over dumping is endlessly confused by the obvious artificiality of the East-West exchange rates—it is clear that, in turn, the Polski's low prices stem from even lower comparative wages rates. The average Polish motor industry worker earns about £600 a year, nearly one-sixth of the rate prevailing in the British industry. He also works a longer week than his U.K. counterpart.

Productivity

To some extent the advantages the Poles gain by low wage rates are lost again by poor productivity. Polski-Fiat last year produced about 120,000 cars with a workforce of 17,000, a rate of output of roughly seven cars a year per man. Despite the advantages of being a one-product factory, this is lower than even a relatively inefficient Western manufacturer like British Leyland manages.

Some parts of the factory such as the body shop, are still heavily labour-intensive. The hope of the Polish managers is that productivity will improve radically as more automation is introduced. If Poland is to achieve the ambitious rate of growth it is demanding from its motor industry, it will have to. Whether this can be achieved is now the big question.

هكذا من الأصل

PARLIAMENT

Confidence in our policies at stake, PM warns

Left accused of 'unholy alliance'

THE GOVERNMENT'S defeat the previous night had arisen out of "one of the most unholy alliances in the history of Parliament," Mr. Harold Wilson, Prime Minister, said in the Commons yesterday.

Opening a debate on what he made clear was a vote of confidence in the Government and its financial and economic policies, Mr. Wilson said that the alliance had been between MPs "who would not normally be seen dead with one another."

He suggested that Labour MPs who abstained were giving their sedentary support to a party which, throughout the debate on public expenditure did not say what they would cut, or what they would increase.

By abstaining, Labour MPs had given support to a party whose shadow Chancellor had told the House that cutting public expenditure this year would increase unemployment in the short term.

"I may be fastidious, but I would think a lot of times before giving any help whatsoever to an Opposition which has made its policy on unemployment as clear as that.

"I cannot accept from anyone repeated, and unwarranted allegations, about the Government cutting essential public expenditure."

The Government was concerned to strengthen the size of industrial and manufacturing production and, even at this difficult time, to increase the provision for re-training and industrial training. It was determined there would be no plunge back into depression and increased unemployment.

Mr. Wilson added: "All the signs are now that the rate of increase in unemployment is at this time rising at a very much smaller rate than last year, particularly the last three months."

Turning to Labour backbenchers, he said: "Do not throw all this away by these voting and abstaining habits with the Conservative Party in the House and elsewhere. The Government is asking, as we have a right to ask, for continued confidence in our financial and economic policies.

"There can be no doubt that our counter-inflation policy commands wide support throughout the country."

He told the Labour rebels that they themselves, in their attitude to the anti-inflation policy, were out of step with the TUC General Council and the Labour Party conference decision. "They are undoubtedly out of step with the great mass of people, including the great majority of trade unionists, if this is how they feel.

"They may luxuriate in the odour of sanctification, but I appeal to them not to sully that sanctification by giving aid and comfort to the Tory Opposition, particularly one like this."

Of the Tories the Prime Minister declared: "They have nailed to the mast what the Conservative leadership has proclaimed as the opportunity to be unequal. I have never heard any Tory leader say that in the last 30 years.

Mr. Wilson claimed that sterling had been relatively firm for some months. "While there has been a good deal of disturbance in exchange markets affecting other countries in recent weeks, sterling enjoyed a welcome period of calm.

"But we have to face the fact that the sterling exchange rate is determined basically by market forces. Although we have made very substantial headway in bringing inflation down in this country over the past months, our inflation rate is still above that of other important countries. It was inevitable at some stage the market should exert some downward pressure on the exchange rate.

"In line with our concern to minimise disturbance domestically and internationally, we have shown our determination by appropriate intervention to restore stable conditions.

"The Government is prepared to assert its full determination to provide whatever protection is necessary."

But the key to the future was control over inflation. The attack on inflation had been the Government's primary task. A statutory incomes policy had been rejected. "Our policy has been accepted by the country because . . . it is based on agreement, consent and co-operation."

Mr. Wilson said that with this majority support in the country the Government had the right to ask the House for the vote of confidence in its financial and economic policies which it was seeking.

Amid loud Tory cheers Mrs. Margaret Thatcher, Opposition leader said. "I see nothing from what the Prime Minister said or from the Government's economic performance which would justify any vote of confidence in him to-night.

"One would scarcely think that his Government has slashed nearly one-third off the value of the pound in the pocket in under two years and made unemployment rise to levels it never rose to under post-war Conservative government.

"Yesterday evening, after two days of full debate on the Government's economic strategy as set out in the White Paper, and in the absence of the Prime Minister, the Government was decisively defeated."

Mrs. Thatcher said that all the Prime Minister had to do to ensure continuance of the Government's policies was to carry his own side and keep the confidence of his own people. "In this, he totally failed."

Mr. Wilson had revealed unwittingly the wide gulf which separated the two wings of the Labour party. "What he has, in fact, is a coalition of Socialists and near-Marxists. He and only he, is responsible for the failure to keep his own party behind his own Government. That is why he is so angry today—because his own failure is on trial."

Mrs. Thatcher added: "There is no precedent for defeat on such a major matter of supply. The defeat was not on some minor matter. The Government has been defeated on major economic strategy. It is a resigning matter."

A vote of confidence could not and was not meant to "paper over a fundamental divide in strategy which goes to the root of all policies." Even if Mr. Wilson got his vote, the MPs who had abstained would still disagree with his basic strategy and still intended to go on doing so unless it was changed.

"The rift is still there and would still be there in spite of any vote to-night. It is a rift which goes to the root of the Government's policies. Between the two wings of the Labour Party—supporters of a mixed economy and of a totally controlled economy—there can only ever be conflict."

Mrs. Thatcher declared: "Mr. Wilson is asking to stay in office. He is asking for a vote even though he cannot command the authority to govern.

"Last night's vote was a vote of no confidence in his strategy. To-day's vote is a device to keep him in power—power without authority, power without principle, a position admirably suited to the Prime Minister."

Mr. Jeremy Thorpe, Liberal leader said that the Prime Minister's problem was that he was dealing with irreconcilable forces. He was supported enthusiastically by the social democrats who believed in Europe, but also by socialists who believed the contribution of private enterprise to the economy was minimal and that investment must be State-controlled and largely State-instigated.

These socialists were "in favour of a level of public expenditure which would have a catastrophic effect on the economy." When the £6 pay limit came to an end in July, there would have to be tougher measures "which may well command the support of the TUC but which I very much doubt will command the majority of the Parliamentary party."

There had been cross-party support on issues such as Northern Ireland and Europe. The economy of the country was no less important. The collapse of the currency, with the pound falling below $2, would have been regarded as an impossibility if it had been prophesied two years ago.

Mr. Thorpe said he was not suggesting a coalition or anything comparable to it. But, cross-party unity, as on Europe and Northern Ireland "is something commendable to the people of this country."

Jobs depended on investment, investment depended on stability, and stability depended on political continuity.

Mr. Thorpe said that everyone knew that the White Paper "is not what the Chancellor wanted and it is not what the Cabinet wanted. It was a much as they thought they could get away with and maintain the support of their Left wing."

Mr. Wilson, had to show "whether he is the pawn of the Tribune Group, or whether he is the tribune of the people.

"If he is going to take the view that his first priority is to the Tribune Group, then he doesn't deserve the confidence of this House." Judging from the contents of Mr. Wilson's speech, the Liberals would not give him a vote of confidence.

Mr. Tom Litterick (Lab., Selly Oak) told the House that the priciples of socialism were the answer to the present crisis and "not the expedience of desperate individuals."

Mr. Litterick said the Chancellor was like Mr. Micawber. On exhortations to be loyal to "good old Denis" and "good old Micheal" he said: "I do not believe in legends and I do not believe in loyalty in that individualistic way. I believe in loyalty to principle."

The Government front bench automatically expected to control its backbenchers. "The very first time we fire no more than a warning shot across their bows, we are accused of entering an unholy alliance."

He remembered in the recent past a number of unholy alliances between the entire membership of the Conservative Party and a minority of the Labour Party. "But I do not recall anybody on these occasions being accused by the Labour leader of entering unholy alliances, even though the will of the Labour party was being totally nullified by them."

"I have no doubt who was damaged by these alliances—my constituents, and the working people of this country. It seems that the Prime Minister is rather partial in his ability to observe an alliance."

It was now necessary to make a distinction between the Labour party and the Government front bench.

Mr. Litterick said that Mr. Healey talked about an up-turn just as Mr. Micawber did. "He has no idea when it will happen, if, indeed, it will happen. It is a pathetic posture for a Cabinet Minister who would have us believe that he is a Socialist."

Ashley Ashwood

Cabinet Ministers, Mr. Anthony Crosland, Mr. Michael Foot, Mr. Eric Varley and Mr. Roy Mason, leave 10, Downing Street, resolved to face a vote of confidence in their policies.

Ashley Ashwood

Mr. Bob Mellish, Government Chief Whip, has 37 lost votes on his mind.

Some birthday . . .

Mr. Wilson's first Tory questioner in the Commons yesterday lost no time in taunting him about his absence from the chamber the previous night after the Government defeat.

"Why," asked Mr. Norman Tebbit (C, Chingford) "was the Leader of the House, Mr. Edward Short, left to answer on the future of the Government while you sat skulking in your room with the door locked and the lights out, hiding."

Mr. Wilson, who was 60 yesterday, replied: "If the door was locked and the lights were out it was nothing to do with me. It was because I had gone to my birthday party."

Labour heading for break-up, says Grimond

By Peter Hennessy, Lobby Correspondent

MR. JO GRIMMOND, former leader of the Liberal Party and MP for Orkney and Shetland, last night predicted that the Labour Party would break up in the near future under the strains of a serious economic crisis.

He told a meeting in Colne Valley that Labour faced a showdown between its Right wing, which recognised that the State could not encroach still further on the private sector without endangering freedom, and the Left wing which continued to urge greater Government intervention.

Wilson wants no more nonsense

BY JOHN HUNT

MR. HAROLD WILSON celebrated his 60th birthday in the Commons yesterday by standing at the Despatch Box for nearly half an hour and heaping ridicule and scorn on the heads of the 37 Left-wing Labour MPs whose abstention on the public expenditure White Paper had led to the defeat of the Government the previous night.

Faced with a vote of confidence in his Government as a result of this debacle, the Prime Minister was obviously gambling as he could now afford to treat the Left-wing with impunity. On the assumption that they would not dare bring down the Government on an issue of confidence, he continued to hurl a stream of insults at the Tribunites in the most brutal language.

From the Opposition front bench, Mrs. Margaret Thatcher tore into the Government in a short, fighting speech which put new heart into the Tories. The Prime Minister, she said, had failed to retain the confidence of his party in the House—and that was clearly a resigning matter.

Despite the turmoil swirling through the chamber Mr. Wilson was in a jaunty, almost relaxed mood, apparently fully recovered from the traumatic events of Wednesday night. There were cheers from many of his backbenchers as he lectured the Labour rebels. But the Tribune Group sat glowering in angry silence below the gangway.

Mr. Wilson quickly made it plain that he was going to stand no more nonsense from the Left-wingers. This became apparent when Mr. Eric Heffer, a leading member of the Tribune Group, told him that the Labour rebels were not well disposed towards the Tories but had abstained as a protest at the "Conservative" policies being pursued by the Government.

There were gasps at the strong language used by Mr. Wilson when he snapped back: "It is always an arguable question about promiscuity whether you are open to criticism for going into the bedroom or being a lapdog outside the door."

The Government defeat the previous night had, he said, been the result of one of the most "unholy alliances in the history of Parliament."

He compared it with the wartime Labour-Tory coalition between Shinwell and Earl Winterton, a partnership which had been dubbed "arsenic and old lace." According to the Prime Minister, the new alliance between the Left and the Tories could be described as "arsenic and red chiffon."

Then, with a swift change of tactics, he argued that the Government's anti-inflation and economic policies were on schedule and appealed to the rebels: "Don't throw all this away by supporting the Tories."

University grant higher than expected

By Michael Dixon, Education Correspondent

THE UNIVERSITIES are being granted £581m. for current expenditure over the 1976-77 academic year, Mr. Fred Mulley, Secretary for Education, announced in a Commons written reply yesterday.

This is more generous than the University Grants Committee expected at one time, but it will be subject to a cash limit and not raised—as the present year's grant was—to cover increases in salaries, or in prices.

But Mr. Mulley added that "if the rate of inflation were to turn out substantially higher than that allowed for in the cash limits, we would have to take stock of the position in the light of all the circumstances of the time."

He did not explain whether the inflation allowance included in the 1976-77 grant is based on a notional forecast for the coming year, or provided as compensation for the unusually high rate of inflation of the past 12-month period.

The current year's grant which is not directly comparable since it was calculated on a different, special price-base, totals £523m., including the £58m. supplement to academics' salary increases.

London jobs aim assurance

By Justin Long, Parliamentary Correspondent

ANXIETIES OF London MPs on both sides of the Commons over the situation for manufacturing industry in London were met by assurances from Mr. Harold Wilson, Prime Minister, yesterday that one aim of Government policy was to improve this position.

Labour back-bencher, Mr. John Cartwright (Woolwich E), stressed the increasing concern at the employment prospects in the area, brought about not least by the rundown of manufacturing industry.

Mr. Wilson acknowledged that the pattern of employment had changed considerably. "Manufacturing industry in Britain generally has been declining for some 15 years and the Government's policy is to reverse that trend and increase the manufacturing base."

Complementary to these plans would be the development plans of the Greater London Council, the Prime Minister indicated.

Boundary reviews

By Peter Hennessy, Lobby Correspondent

MR. ROY JENKINS, Home Secretary, yesterday announced that the Parliamentary Boundary Commission for England is to begin a general review of English constituencies. Mr. Merlyn Rees, Secretary for Northern Ireland, made a similar announcement regarding the Boundary Commission for Northern Ireland.

Both commissions are required by statute to report between 1978 and 1984. No dates have yet been fixed for the commissions for Scotland and Wales to begin their reviews.

Employment Act procedures

By Our Labour Staff

TWO BOOKLETS explaining the procedures for handling redundancies and the insolvency provisions of the Employment Protection Act were published yesterday by the Department of Employment.

Next week's business

MONDAY: Development Land Tax Bill second reading; Motion on the Local Loans (Increase of Limit) order.

UESDAY: Resumed debate on broadcasting the proceedings of the House, motion on EEC documents on energy policy.

EDNESDAY: Debates on private rented housing and use of the housing stock, and commuter rail services; Housing (Amendment) (Scotland) Bill, Education (School Leaving Dates) Bill.

HURSDAY: Trade Union and Labour Relations (Amendment) Bill, Lords amendments; Consolidated Fund (No. 2) Bill, second reading.

RIDAY: Private Members motions.

Social services 'too generous'

OCIAL SERVICE departments re not tough enough in insisting n helping only those who are real need, Mr. Rex Johnson, eputy-director of social services r Lancashire, told the Royal ciety of Health, meeting in ndon yesterday.

He said social services were intended to provide support all of the people all of the , taking responsibility away families, relatives and local munities. "We should be e selective in our response."

The Technical Page

EDITED BY ARTHUR BENNETT AND TED SCHOETERS

● NORTH SEA OIL

Crane matches motion of the waves

WAVE MOTION causes shock loading and damage to goods, and sometimes to seamen, when loads are transferred from supply ships to offshore platforms. To solve this problem, the Gateshead-based marine and transporter division of Clarke Chapman has evolved a "motion compensation" system for the company's hydraulic and electric pedestal cranes.

The system is based on a study of wave motion at sea, which is taken to be basically sinusoidal. It has been found that although wave height and period may vary, the peak speed of travel, either up or down, is about 650 to 700 ft/min.

Maximum wave height in the North Sea at which unloading would be carried out is about 25 to 30 feet with a 10 second period, and this is assuming a steady sea state with no breaking water.

To enable a crane to take a load from a vessel riding such waves, Clarke Chapman has developed a double drive to the main hoist barrel, in which the "compensating" drive matches the wave rise and fall, controlled by sensors, until the main drive can take the load at a wave crest.

First the hook block, which may weigh up to a ton, is lowered near the vessel, then secured to it with a wire bight (or whatever). As soon as the hook is fast, sensors are used either to check the tension on the falls or on a signal wire separately attached to the vessel. The sensors automatically control the compensating drive on the hoist barrel, so that the cable is paid in and out with the wave motion, maintaining a steady tension of about ½ to 1 ton on the hook.

Load slings are attached to the hook and tension is again maintained. The signal to hoist is given, and as the vessel reaches a wave crest, the main hoist motor takes over (having already been brought to speed).

The main hoist cannot engage on a descent, and there is a one second delay at the crest to ensure everything is clear. If a lashing has been left attached to the load, the latter drops back controlled by the compensating drive keeping tension on the hook. A freewheel device allows the barrel to run rapidly on the ascent, and a pawl locks in the main drive.

The company (Victoria Works, Gateshead, NE8 3HS), says there is no snatch as the load is taken. Other possible applications include retrieval of aircraft by naval vessels.

Watching the twists of a platform

MARCONI Space and Defence Systems has received an order from Mobil North Sea to supply an instrumentation system, based on a Hydroplot data-logger, to monitor the various stresses and strains on the Beryl A Condeep Platform in the North Sea.

Designed to meet the requirements of Det Norske Veritas the equipment will monitor such parameters as skirt drain pressure, structural and radial strain, structural motion, base contact stress, wave data and draught. Data from the various sensors around the platform will be collected and recorded and subsequently processed for Mobil by Marconi.

The L10 data-logger to be used is the smallest member of the Hydroplot family of survey systems and is a multi-channel tape recorder for storing data in digital form which can be processed by a computer. It is able to accept analogue, digital and contact closure inputs from up to 100 sensors and its digital display enables inputs to be examined.

Marconi, Chelmsford, CM1 1PL. (0245) 400505.

● MACHINE TOOLS

Eases tool changing

A SYSTEM designed to avoid risk of injury by preventing tooling from being ejected during quick manual changes or from inadvertently being allowed to fall out has been introduced by Newall Tooling, Fakenham, Norfolk.

Originally developed for the Newall group's own jig boring machines, it separates the application of force to unlock the nut from the eventual release of the tool, enabling the operator to take its weight safely as it disengages.

Instead of instantly releasing when the locking nut is turned the Newall-Rapidex quick change adaptor system requires two-thirds of a turn forwards followed by a one-third turn backwards to remove the tool. A self-holding taper is released by the forward rotation of the nut while the tool is retained by lugs overlapping corresponding grooves. The short reverse turn brings the lugs and grooves into line, allowing the tool to be extracted.

The asymmetrical lug design ensures that tools can only be mounted in one position, so replacing a tool does not result in loss of repeatability. Even a worn machine can, it is claimed, be given a fresh lease of accurate life, since once the adaptor is matched to the best running position, tools will always be fitted the same way.

PETER CARTWRIGHT

Versatile attachment

INFINITELY variable within its limits, a sine based wheel forming attachment has been designed for producing angles and radii on most types of grinding wheels.

It is universal between 0 and 90 deg. The attachment has adjustable centres if angle grinding of a tool is required between centres. In addition the unit, called a Cardinal Allform, can serve as precision measuring and checking equipment, and by using a magnetic holder it becomes a sine chuck.

Marketed by Brooke Tools, Hellaby Industrial Estate, Denby Way, Hellaby, Rotherham, S66 8HU (070984 8431).

● PROCESSES

Plate edges cut with precision

STEEL PLATE with edges cut to a much higher degree of precision than is possible with flame-cutting techniques can now be supplied by Gränges Oxelösunds Järnverk, S-613 01, Oxelösund, Sweden, which has installed computer controlled cutting equipment. Both straightness of cut and edge profile are stated to be improved.

Plate 4 to 25 metres long, 1 to 3.5 metres wide and 10 to 50 mm. thick will be supplied, although at present the limits on length and width are 18 metres and 3.3 metres.

Tolerances are stated to be ±0.2mm. straightness over 25 metres: ± 0.8 mm. width: ± 1.5 mm. in length up to 10 metres and ± 3 mm. for 10 to 25 metres: chamfer angles can be cut to an accuracy of ± 0.5 degrees and the tolerance for cut position in the plate edge is ± 0.5 mm. Both V and J weld preparations can be cut, and the upper and lower chamfer angles can be different.

On the edge-preparation line a roller conveyor feeds the plate into position at planing and milling stations. The long sides of the plate are planed using cemented carbide tools, and the short sides are milled.

Preparation of one long side and one short side is carried out simultaneously, then the plate is automatically turned through 180 degrees to prepare the other sides. Two sets, each of four planers, allow planing in both directions, and two milling cutter heads are used.

The cutting machine was supplied by Rheinstahl Wagner, AG, of Dortmund, and the cutting is controlled by an AEG 6010 computer—it is believed to be the first installation combining this cutter and computer.

Scandia Plate, Leon House, High Street, Croydon, Surrey, CR0 9XT (01-686 8114) is the U.K. sales company for Gränges.

Pump has highest accuracy

METRIPUMP type G developed by Metering Pumps is a large capacity accurate high pressure unit suitable for duties demanding constant reliability at high rates of flow and pressure.

This pump can be operated with either one or two plunger or diaphragm pumpheads and its positive return variable stroke mechanism is not subject to the normal working stresses of the pump, which ensures this accuracy.

Stroke length is determined by varying the throw of an eccentric controlled manually by a regulator wheel and indicated on a dial calibrated from zero to maximum full stroke. It can be varied when the pump is in operation or at rest, or fully automated.

A selection of six operating speeds in each of two speed ranges is available and practically any type of liquid can be handled as the plunger type pumpheads can be of stainless steel, cast iron and stainless steel or polypropylene with glass plunger. The diaphragm type pumpheads are of stainless steel, cast iron or polypropylene, all with PTFE diaphragms.

By fitting one of 14 different sized pumpheads, either in a Simplex or Duplex form, a capacity range from 3 to 1,000 gallons per hour is available with maximum working pressures of 5,000 down to 60 psi.

An electric motor of 1 or 2 hp at 1440 rpm, TEFC 380/440 volts, 3 phase, 50 cycles is fitted as standard. Other types of motor available include flameproof models. The pump can also be supplied with a bare shaft extension for high or low speed drive from an external source or with direct drive through an external reduction gear.

Details from Metering Pumps, Metering House, 83 New Broadway, Ealing, London, W5 5SD.

Reduces the unpleasant smells

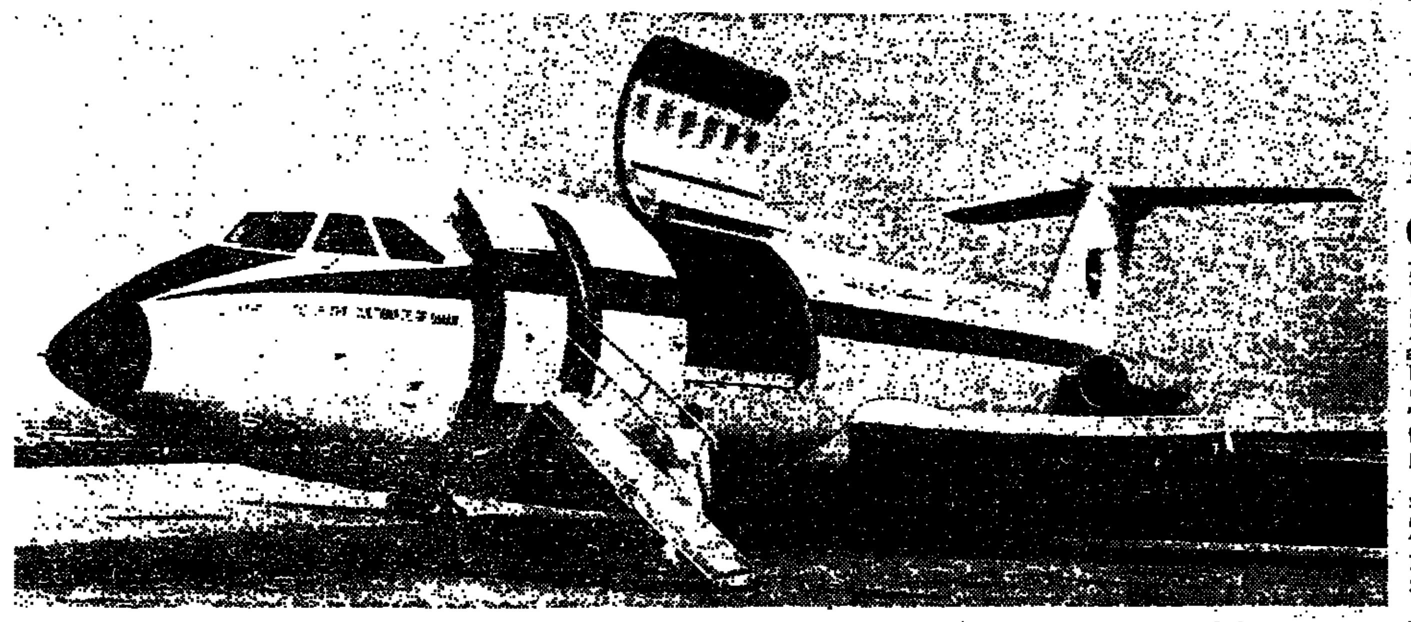
FLUID BED driers with odour adsorber units that reduce emission of unpleasant smells from fluidised materials are available from Arthur White Process Plant, Stapeley Manor, Stapeley, Nantwich, Ches., CW5 7JL (0270 64188).

The units consist of a series of plug-in canisters containing activated carbon. Vaporised odours carried in the drier's exhaust air are condensed in minute low-pressure pockets in the carbon, and are thus prevented from being discharged. In many cases, it is claimed, odour emission can be reduced to unnoticeable levels.

When the adsorber's original charge of carbon is exhausted, replacement canisters can be fitted in minutes, supplied under an exchange system. The adsorber is fitted downstream from the drier's secondary air outlet filter and is therefore protected from becoming choked with solids. The filter removes 99.9 per cent. of 10 micron particles and 45 per cent. of 5 micron particles from the exhaust airstream before it passes through the adsorber.

The fluid bed driers are of modular construction and are available in three sizes, with batch capacities of 5, 10 and 20 cubic feet. Steam, gas or electricity can be used as the heating medium. Flameproof version are available.

The driers are used for fluidising many types of particulate solids, pellets, crystals and granulated materials. Arthur White will fit adsorbers to existing driers of any make.



A BAC One-Eleven twin jet aircraft with a different look. It is one of the first of this breed to be fitted as a freighter and, as can be seen, it has a large upward-opening hydraulically-powered loading door. In addition the aircraft has a quickly-removable freight-handling system comprising a freight floor overlay fitted with longitudinal roller sections and ball mats in the door area to facilitate the carriage of international-sized pallets and containers. This aircraft is for the Sultan of Oman's Air Force.

● SHIPBUILDING

Disc brake for marine drives

HEAVY DUTY caliper disc brakes for marine and industrial applications such as turbines, large conveyor crane systems, and winches, have been developed by Twiflex Couplings, The Green, Twickenham, Middx., TW2 5AR (01-894 1161), a Sheepbridge Engineering group company.

The brake is available in two forms: as a hydraulically applied caliper and as a spring-applied "failsafe" caliper in which hydraulic pressure is used to release the brake.

Each caliper is mounted on a pedestal and supplied as a self-contained assembly with a 20:1 air/hydraulic intensifier. To ensure simultaneous operation one pneumatic master controller is used with each set of brakes. It is supplied fitted to one caliper of the set ready for connecting to the main and air control supplies and for pneumatic connection to the remaining calipers.

A feature of the brake is the large retraction distance of the pad—adjustable up to 5 mm—which, it is claimed, allows more shaft end float than any other design. A secondary double-acting air cylinder is built into the end cap of each hydraulic cylinder to provide the large forward and retraction motions of the pads.

Operation is timed in conjunction with flow-control valves so that the main hydraulic force is applied only after the pad have been moved into contact with the disc by the air cylinder. Retraction distance is set by timer adjustment in the control box.

An early application is of two units operating on a 1600 mm diameter disc to produce a braking torque of 240 kNm. The brake is fitted at the end of a gearbox which transmits 11.45 hp from a 6,556 rpm gas turbine to a 112 rpm propellor on a 45,000 ton bulk carrier.

● PRINTING

For the smaller printer

A SMALL print down unit for the smaller offset printer, design studios, schools, and in-plant printing departments, has been introduced by Torr of Silverstone, Towcester, Northants., NN12 8UN. (0327 857256).

Called the Torex, the unit is stated to be suitable for any offset plate up to 10 x 15 inches. Maximum print size is 11 by 14 inches, but a model for R30 size plates is being developed.

Typical applications include contact printing and processing Autotype Artsystem and 3M's Colour-Key materials. It is said to provide excellent definition for line or halftone work up to 175 screen.

The unit, which is only 13 x 16 x 27½ inches high, can be inverted so that it can be used on the floor or table top.

● AGRICULTURE

Tropical use portable seed silo

DEVELOPED IN response to a need in tropical "third world" countries is a portable seed silo which stores the seed in airtight conditions and protects it against rodent and insect attack, and pilferage.

Capable of holding up to two tons, the silo consists of a butyl rubber laminate sack, 0.050 in. thick, white on the outside, and sealed at the top by a simple clamp to exclude air and insects. The bag is supported by a 7 ft. 10 in. high, 4 ft. 2 in. diameter, cylinder of steel mesh.

As a further protection against rodent pests the silo is set in a circular wall of galvanised corrugated steel, 7 ft. in diameter and 2 ft. 6 in. high, which is pressed into the ground. The space between the silo and this outer wall is filled with coarse gravel. The whole unit is stated to break down to make a compact package for storage or transport.

It is made by Chewell Valley Silos, Twyford, Banbury, Oxon., (Kings Sutton 441).

● AUTOMATION

From logic diagram to test run

AS integrated circuit makers offer an ever-increasing function/cost ratio, printed circuit boards become correspondingly difficult to test and the demand for faster, simply-operated automatic test equipment (ATE) rises.

With the appearance too, of electronic intelligence in all kinds of new, or previously "dumb" products, the test problem can only become more significant.

There may already be about 300 computerised test systems installed in the U.K. However, for the users of some of them a new problem is beginning to show.

Board complexity signifies complicated test routines if unreliable products are to be kept away from the customer. These in turn mean time consumed on the ATE devising tests using a known good board. Frequently, however, the ATE time is totally committed to current production testing.

Nowadays the manufacturer may not even have a production board available—only a prototype together with an urgent need to assess its test time and cost and to establish routines ready for the first production pieces.

All these factors, claims Computer Automation of Rickmansworth can be critical in getting a product to the market place, so they have devised BigSim, a computer-based interactive test program simulator for which the starting point is the logic diagram of the board, not the board itself.

BigSim consists of one of CA's own minicomputers, floppy and fixed head disc storage, VDU keyboard terminal, and a printer.

The user first provides (via the keyboard or loaded in from card, tape, disc, etc.) a description of the circuit in the form of a coded data base. The simulator examines this in relation to a built-in circuit element library and tells the user if he has to correct any errors. Duly corrected, the data base is filed on disc and by correlating this file with its element library, BigSim creates a mathematical model of the board.

The effect of test patterns on the simulated board can now be investigated by the test engineer. The system checks the effectiveness of these and combines them with the response of the "board" to create a verified test program and fault isolation files—that is, the step-by-step instructions for the test operator on the ATE itself.

Designed mainly for CA's own "Capable" automatic test equipment, the simulator generates a complete and proved testing package on floppy disc which can then be "played" on the ATE. It provides all essential documentation, timing analyses, etc., without the need for a circuit board, its interface to an ATE system, or even the ATE itself. A bonus is that data derived from the simulation procedures can be used to indicate board design improvements that could be made before production starts.

An advantage claimed by CA for the simulator is that its software has been developed specifically for ATE applications and has been optimised for the minicomputer it uses. This is "unlike the origins of many other logic simulators where the software has often been derived from a computer-aided design program produced on a mainframe processor and condensed into a minicomputer."

According to CA, electronics manufacturers who have already paid up to £70,000 for ATE will not be put off by the price of BigSim, which is £45,000 (for the full configuration). For those who cannot make such an investment, the company says it is considering a simulator bureau service. More from Hertford House, Denham Way, Rickmansworth, Herts WD3 2XD (09237 71211).

● COMPUTING

New units from NCR

IN THE second quarter this year NCR will introduce the first members of a new family of medium or large general-purpose computers. These have been designed to function in transaction-orientated data processing systems and with distributed data processing networks.

Also to be unveiled later this year is a family of modular data terminals for banks and financial institutions, and there will be further releases in retail systems.

NCR is benefiting from the strong trend towards computerised supermarkets and department stores. Up to January of this year it had equipped over 1,425 supermarkets with computerised checkout systems, which involve a total of 14,500 NCR 225 point of sale checkout terminals. In recent months NCR in the U.S. has been converting an average of two supermarkets a day to computerised checkouts and it is expected that this pace will accelerate during 1976.

Worldwide installations of all types of NCR electronic retail terminals exceeded 130,000 at the end of 1975, establishing NCR as the leading supplier in this field, the company asserts.

Data entry processor

BURROUGHS new AE 501 audit entry data preparation unit will prepare business data for processing by a central computer functioning independently of this, and can be stationed at any convenient point.

With a single handling of source documents, instead of the multiple handlings required by conventional input devices, it edits, validates and captures ready-to-process data on magnetic tape cassettes for batch transmission to the computer. Errors are detected and corrected at the point of original entry. This reduces time consuming verification runs at the host computer. It prints a comprehensive journal to assist the operator and permit subsequent auditing.

The new unit, available now has a powerful processor using large scale integrated (LSI) metal oxide silicon (MOS) circuits in both logic and memory.

Burroughs, Heathrow House, Bath Road, Cranford, Hounslow, Middx. (01-759 6522).

● *By agreement between the Financial Times and the BBC information from The Technical Page is available for use by the Corporation's External Services as source material for its overseas broadcasts.*

● OFFICE EQUIPMENT

Projectors with A4 stage

A RANGE of overhead projectors has been launched by 3M's visual products group (Wigmore Street, London W1A 1ET). They incorporate a stage capable of taking A4 transparencies, a low energy lamp, and a new optical system.

There are three models in the range. The 213 SL has an articulated projection head which will project the image through angles from 0 to 30 deg. The new head is also a feature of the cased portable model. The 213 LC has a 10½ inch stage (instead of A4).

All three models have a self-tightening focus system which, once set, means that re-focusing during presentation is unnecessary. The optical system has been improved to prevent the usual glare.

A new lamp was developed by General Electric of America for the projectors, together with a voltage reduction system which enables the lamp to operate at 82V from any mains supply. The lamp needs only 380W compared with the usual 650W. It also has a built-in dichroic reflector, and this, together with the low energy requirement, keeps the whole system much cooler and reduces airborne dust intake.

A dimmer switch for use in appropriate lighting conditions can more than double the life of the lamp.

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FINANCIAL TIMES SURVEY
Friday March 12 1976

CONFECTIONERY

Confectionery sales are expected to top £1bn. this year. In part this will reflect further price increases, but there is welcome indication that volume is on the way to recovering from the recent depressed levels. Exports too are showing signs of recovery.

The sweet tooth loses its edge

By Elinor Goodman, Consumer Affairs Correspondent

EAR 1975 was when the public's proverbial ooth lost its edge in the inflation. Whereas 1974 own as one of the worst n record because of soar- nmodity prices and the y of getting supplies of aterials, 1975 saw the yearly drop in consump- ice the war. While the continued to eat more per head than most their appetite was ied by the cumulative of two year's unprece- priceaincreases resulting he explosion in com- prices.

74, when prices rose by rage of 32.5 per cent., the home market held arkably well and fell by per cent. Last year, how- when prices rose by a third, consumer resis- higher prices really bit e volume of sales in fell by 9.4 per cent. In rms, turnover was up 21 t. on 1974 because of the prices, but this was of mfort either to manufac- who, in this capital inten- lustry, were still having the overheads on their tilised capacity or to the s laid off. Per capita ption fell from 8.2 per head in 1974 to 7.4 per head—its lowest or five years.

ame resistance to higher was felt throughout the ind sales of the British cturers, as the world's exporters of confec- fell accordingly. Again, st came in 1975. In 1974, the industry's export trade reached record levels in terms of both tonnage and value with £80m. of the industry's total turnover of £600m. going abroad. But in 1975, while the value of exports continued to increase, the volume of finished confec- tionry products sold abroad fell by an estimated 15.1 per cent. Overseas sales of products like chocolate couverture held up better but again it was of little consolation to an industry which has traditionally prided itself on its export performance.

Better

The fall was not spread evenly across the board. Rather surprisingly, in view of the attention which was paid to sugar prices, sugar confectionery, like fruit gums and mints, held up slightly better than chocolate confectionery showing a drop on 1974 of 9 per cent. as against a fall for chocolate confectionery of nearer 10 per cent. The smaller decline of the sugar confectionery market was partly due to the fact that manufacturers did not have to absorb the cocoa price increases (and were able in some cases to substitute glucose for sugar) and also to the fact that price increases took longer to work through to the consumer. Within the chocolate confectionery field, which has been steadily increasing its share of the total market over the past 10 years and now accounts for over half all the confectionery sold in this country, it was the moulded bars and assortment ranges which were hit hardest.

Sales of the moulded chocolate bars, which Cadbury dominates, fell by 20 per cent., while the assortments market, which is disputed between Cadbury, Rowntree Mackintosh and Terry, dropped by 19 per cent. The biscuit count-like market, dominated by Rowntrees with Kit Kat, fell by only 4 per cent. reflecting the smaller price rises, while sales of chocolate count lines like Mars Bars, which along with biscuit count lines had been one of the biggest growth areas since supermarkets started taking an interest in confectionery, dropped by 10 per cent. Broadly speaking, therefore, it was the markets where prices rose fastest that showed the biggest falls in sales.

Despite the drop in volume, all the major companies continued advertising heavily and total expenditure in the industry rose from £12.2m. in 1974 to about £13.3m. in 1975. Of the big three chocolate companies—Cadbury, Rowntree and Mars—only Cadbury cut back its media expenditure. New product activity, however, was reduced but despite the pressure on prices, the big manufacturers managed to avoid a price-cutting war.

At the end of the year the market shares of the big companies showed little change—as indeed has been the position for the last five years. Cadbury and Rowntree continued to hold about 25 per cent. of the total confectionery market each with Mars taking between 15 and 20 per cent. Within the chocolate sector, Cadbury held on to its market leadership, closely followed by Rowntree, while Rowntree continued to dominate the more fragmented sugar confectionery market. Within the sugar confectionery market several mergers were seen while the problems of Barker and Dobson was of more concern to the City than the industry.

Most companies did their planning for 1975 on the basis of a severely reduced market. Stocks were reduced by manufacturers and retailers alike both in anticipation of this fall in sale and because of the cost of financing stock. The stock reductions were accompanied by cutbacks in production which brought in their wake short-time working for many workers in the industry and redundancies for others. Speaking in October, Mr. Albert Norton, president of the Cocoa, Chocolate and Confectionery Alliance, told the Government that the 11 per cent. drop in sales which the industry was then suffering, had resulted in a parallel fall in the number of people employed. As the industry normally employs around 75,000 people, this meant that around 8,000 workers had lost their jobs.

This year, manufacturers are budgeting for some increase in volume sales—there were signs of a recovery towards the end of last year—but even so few people regard the future with much optimism. Though the industry's main raw materials are now costing far less than they did in the giddy days at the beginning of last year, the outlook is not without its problems. The new EEC sugar price is due to come into force on July 1st. Under the present proposals this would increase the U.K. beet price by 8 per cent. and raise the intervention price by 9 per cent. though the current British price is already some £20 above the existing intervention level paid to the growers. Moreover, until the summer at least, the industry will still have to cope with a Price Code which means they have to absorb some of their labour costs. And, because of the relatively low wage structure of the food industry, a £6 standard wage increase will not represent much of a deceleration in wage pressures.

Looked at over the longer term, the confectionery industry has a history of basically static demand subject to fluctuations caused by Governments changing the tax. Following sugar rationing, consumption temporarily rose to a glut of 8.6 ounces per head per week average over 1953-5, but has since steadily fallen back to a level broadly comparable with pre-war consumption.

The removal of purchase tax in 1973 and the subsequent zero rating of confectionery, led to a brief surge in demand and consumption looked as if it could be climbing back to post-rationing levels. (Indeed, the big fall in demand last year has to be seen in the context of the increase which had taken place between 1970 and 1973.) But the enthusiasm with which the industry greeted the removal of purchase tax from its products was short-lived and in 1974 the Chancellor put VAT on to nuts, crisps, chocolate biscuits, chocolate and sugar confectionery, ice creams and soft drinks. The imposition of VAT was followed by the rise in the commodity prices and together, the two events threw the industry into a state of depression.

The Cocoa, Chocolate and Confectionery Alliance has in the last few weeks again been lobbying for a removal of VAT from the industry's products on the grounds that successive Governments have recognised the principle of not taxing food and that confectionery is an important part of the nation's diet. Zero rating these products, the Association says, would reduce their prices by 7.4 per cent. and take 1 per cent. of the Governments food index.

In the industry's opinion the zero rating of all the foods now carrying VAT, would increase the volume of sales of all these products by between 5 and 10 per cent. thus creating as many as another 10,000 jobs.

Optimistic

Though most industry leaders claim to be optimistic that the tax will be removed, few would be prepared to put money on it. Meanwhile there are other clouds on the horizon. Substantial progress to converting confectionery products into metric sizes is planned for this year, though there is some concern as to whether all the necessary new machinery will be ready in time. The transition to metric sizes will mean that the public will be faced with another new set of prices, which in some cases may look more expensive than the old ones even though consumers may be getting marginally more value for their money. The familiar half pound bar of chocolate, for example, will now be sold in 8¾ ounce bars thus adding, in the case of Bourneville, another 3p to the current price of 34p.

In the background there is also the continued pressure to put more information on the pack. According to the Alliance, if all the proposed measures covering food products were implemented — unit pricing, universal product coding, date coding, nutritional labelling, product descriptions, etc.—then the 4p confectionery bar would require a wrapper six times its

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Solid profits in spite of constraints

DURING 1975 the share prices of the food manufacturing companies rose at a faster rate than the average for the stock market, and the confectionery groups were right among the star performers. Admittedly the sweet makers started from a very low base; they were savagely marked down during 1974. But the recovery shown last year by some shares—notably Rowntree Mackintosh—was still impressive, and this helped to push the FT's food manufacturing index close on a quarter above the equity average for the equity market.

But share price cycles are notoriously fickle, and the upshot this year has been a renewed bout of time-marking. Not the equity market in general has progressed very far in overall terms in 1976. But if anything the two major confectionery companies, Cadbury-Schweppes and Rowntree Mackintosh, have managed to under perform the average. The City would probably rate both shares as a longish term hold, though Rowntree's 3.3 per cent. yield is clearly something of a disadvantage, against a stock market' average nearer 5½ per cent. Rowntree currently yields 7 per cent. and at George Bassett the return stands at 8½ per cent. But these two dividend yields lack the high level of earnings cover afforded at Rowntree where cover is over fourfold.

The confectionery industry's profits background is currently buoyant. Last month the small, Stockport based manufacturer Squirrel Horn unveiled 1975 profits of £332,000 before tax, against £145,000 for 1974 and the previous year's best ever £180,000. And some very solid profit figures are due shortly from both Rowntree and Cadbury Schweppes. Rowntree looks set to produce record profits for 1975 — despite lower sales volume in the U.K. where a combination of consumer resistance to higher prices, destocking by the trade and the long hot summer have all left their mark. Conversely, hot weather is something of a two edged sword for Cadbury Schweppes. This has a very favourable impact on the group's soft drink sales but it has the opposite effect on demand for sweets. But even Cadbury looks forward to a sharp upturn in profits for 1975—despite non-soft drink losses in Spain and Italy.

However, the confectionary companies still have to labour under a number of trading constraints. Price and margin controls are to-day as firmly in force as ever, at the same time some of the industry's commodity costs have stayed volatile. It begins to look as though an upwards shift in the cycle has started for sugar, chocolate and edible oils. Finally, the long term sales trend for the confectionery trade has been weak for a number of years.

In recent years the cocoa price has been a distinct thorn in the side for the confectionary industry, while in 1974 the price of sugar finally lost most of the relative stability it had enjoyed for so long under the now defunct Commonwealth agreements. From mid-1971 to late 1974, the price of cocoa leaped more than fourfold to over £800 a ton, and it was during this period (in 1973) that Rowntree lost the £32½m. on the cocoa terminal market that was to do so much to weaken both its balance sheet and its share price.

Volatility

As for the industry's sugar difficulties, the U.K. was insulated against the extreme volatility of the sugar price until 1974. This volatility stemmed from the structure of the world trade in the commodity in that most sugar production is consumed within the country of origin with less than 30 per cent. available for export. Moreover, of the main trading blocks in the commodity the U.S. had an agreed, fixed quantity of imports each year while Russia relied on an agreement with Cuba.

At the same time the original six countries of the EEC were largely self-sufficient in sugar while the U.K. was cushioned by its Commonwealth agreements. Thus as a result of these various quota agreements little more than a tenth of world trade in sugar was conducted on a totally free basis. But the crunch started late in 1972 with the failure of the Russian beet crop which forced that country to strain Cuban output and on to the open market. As a result, total world stocks at the end of the 1972-73 season had fallen by 20 per cent. — and that position led to a chain reaction of panic (and speculative) buying on an international scale.

For the U.K. it was unfortunate that this period coincided with final year of the Commonwealth agreements. The price of sugar has stabilised during subsequent seasons but it is clear that cost values for the confectionery industry will now remain at much higher levels than those historically enjoyed: the industry's attempts to switch away from sugar into sugar substitutes have not yet proved successful.

The sharp upturn in soft commodity prices coincided with the advent of price controls in the U.K., and at this stage the squeeze on the food manufacturers' margins began in earnest. The industry has recently been granted some relaxation in the tightness of the authorities' grip on prices in so far as companies are now getting price rises through the scrutinising boards at a faster rate. And this is happening at a time when commodity prices are relatively tranquil. But sterling has not been on the side of the food manufacturers, and for the confectionery industry the state of the pound is a particularly onerous ingredient these days given the relative importance of imported raw materials within the industry's overall buying structure. The squeeze on the manufacturers' pre-tax profit margins in the two years to 1974-75 is vividly illustrated by an analysis produced by stockbrokers Wood Mackenzie: this showed a drop from an average of 5.5 per cent. to 3.7 per cent.

Over the three years to 1974 total consumer expenditure on food ran at minus 0.7 per cent. plus 1.1 per cent. and plus 0.5 per cent., during 1975 the volume trend for the confectionary industry was weak in the U.K. but rising overseas, though Rowntree for one reckoned it managed to outperform the industry average usefully enough at home with a drop of just 7½ per cent. Last September, the 1975 interim statement from Rowntree was talking happily about an increase in profits for the year. Sales are expected to rise by around a fifth to over £300m. and profit margins (at the trading level, before interest or depreciation) were not expected to show any real deterioration.

Progress

Rowntree's profit cushions in the U.K. last year centred on the strength of count lines like Kit Kat. The group also achieved good progress in the U.S., Canada, Australia and South Africa. For the current year, the sales prospect could well be for some overall volume gains. But these could be very slight, and by the second half of the year raw material cost factors may start to become a lot less satisfactory, though thanks to forward buying any adverse impact from that direction should not start to show through to profits until 1977. Thus most outside observers expect Rowntree to produce further [...] gains for 1976.

Cadbury Schweppes pre[...] a good start to 1975 an[...] October this showed throu[...] a six months profit ga[...] slightly more than [...] before tax. For the ha[...] group sales volume rose [...] similar sort of perce[...] though within this fram[...] demand for confectioner[...] reported to have been [...] Profits at the pre-interes[...] were £5.3m. higher for [...] months with the overse[...] sion and the U.K. (up[...] rising by a combined £[...] Europe moved lower [...] stock write-offs in Spai[...] Italy amounting to [...] £45,000. During the [...] half of 1975, Cadbury w[...] experienced the hot [...] and a soft drinks bonan[...] it looked forward to [...] recovery in its oversea[...] sion, especially in Austr[...]

The final results for 1[...] due next month, and stockbrokers are goin[...] profits recovery to ove[...] pre-tax with growth the[...] to profits in the region o[...] for 1976. However, the [...] in profits expected for [...] not likely to show thr[...] the earnings level: the [...] Europe are ungroupab[...] tax purposes and the tax is rising. Moreover Ca[...] rights issue will involve [...] holders in some dilut[...] earnings.

Jeffrey [...]

Over 38,000 boiled sweets are produced each hour by this continuous "[...] moulder" produced by the Baker Perkins subsidiary, Confectionery [...]ments.

Sweet

CONTINUED FROM PREVIOUS PAGE

present size. While there may be an element of exaggeration in this claim, there is genuine concern in the industry that it is being asked to do too much in the field of consumer information.

Even so, given the slowness with which decisions have been taken over unit pricing, it seems unlikely that the industry will be faced with legislative requirements to put all this extra information on their packs for some time. Moreover, Government officials are aware of the problems of putting additional information on small packs and will presumably try to take the industry's particular problems into account when framing any new legislation.

Meanwhile, the dental lobby, despite its relatively small budget, continues to rumble along in the background. The industry has gone to great lengths to produce evidence showing that sweet eating is not "the cause" of dental decay, but with the increasing emphasis on health education, it seems likely that the more conventional school of thought, which puts great emphasis on the improvement which could be made in dental standards if sweet eating was reduced will have more success in putting its views over than the confectionery industry. Not that the dentists' warnings have ever done much to dampen demand in the past but the action that Dr. David Owen has taken as Minister of State for Health on cigarettes, has shown that he is prepared to take a strong stand on what he considers major issues of health. Certainly, it seems likely that he would resist any moves to take VAT off sweets if it was thought it would increase consumption.

Demand

In the shorter term, however, the outlook for the industry is brighter than it has been for two years. Demand began to pick up towards the end of last year and Easter eggs have been selling in the shops at a very high rate.

Despite uncertainties over cocoa prices, the outlook for prices is relatively stable—as indicated by the fact that the industry has agreed to join the Government's Price Check scheme and limit price rises to an average of 5 per cent. for the six months until the end of July. All the signs are that confectionery prices will go up far more slowly this year than the Retail Price Index. One company, for example, is expecting to put up its prices by around 6 per cent. this year as against a projected rise in the RPI of 16.9 pr cent. The feeling is that if confectionery price rises can be kept well below the rate of increase for most other items in the shopping basket, consumption will show an increase. Chocolate confectionery sales might go up by as much as 5 per cent. in volume though it is expected that sugar confectionery sales may take longer to recover.

In view of this expected recovery coupled with further price rises manufacturers expect the total value of the confectionery market, currently standing at around £850m., to go through the £1bn. barrier this year—a pretty remarkable feat for an industry where the average unit price is still probably less than 10p.

مكتبة صنع الأول

Export setback unlikely to last

EXPORTS WERE both a highlight, and a cause for concern, in the 1974-75 annual report of the Cocoa Chocolate and Confectionery Alliance.

The good news was historic. In 1974, when U.K. home trade sales declined by 4 per cent. in terms of volume—a 27 per cent. rise in sales value reflecting substantially increased costs, particularly for raw materials—exports were still moving ahead on both counts.

Volume gains of 6 per cent. for chocolate and chocolate confectionery, and 10 per cent. for sugar confectionery averaged out to a 9 per cent. increase overall. The 42 per cent. increase in value took exports to over £80m. out of a total industry turnover of £600m.

However, while the Alliance noted this with some satisfaction it had misgivings about 1975: "During . . . (1974) . . . however, the raw material supply and price position changed to such an extent that at the end of the period under review many exporters were losing confidence in their ability to maintain their export sales."

Inevitable

Preliminary figures for 1975 say that the exporters were right to be worried. These figures indicated an overall volume decline of 15.1 per cent., in a year when average values jumped from £739 to £988 per ton, a rise of 33.7 per cent. However, indications from HM Customs and Excise are that the final decline will be somewhat less steep: and neither the Alliance, nor the companies within it, seem to believe that last year was anything but an inevitable break in a long term uptrend

Accentuating the positive the Alliance notes that, taking the EEC as a whole, the U.K. is responsible for more than one half of the exports outside the Community — giving it a very positive balance of trade in confectionery against one which was probably negative before the U.K.'s entry

It also has some cautionary notes on one year's figures. The Soviet bloc, for example, has the habit of ordering in occasional, very large contracts, the incidence of which can make a considerable difference. Finland, which was a growth market, put temporary controls on imports, in an attempt to right its balance of payments problem. Its confectionery imports fell by around 500 tons last year—a drop of nearly a third and the biggest single influence where the decline in volume sales to EFTA countries was concerned.

The Alliance also points out that overseas manufacturing is an important, and growing element in the strategy of U.K. manufacturers; and that where the growth element is concerned, a move from exports to foreign production could also make a lot of difference—especially in chocolate and chocolate confectionery which is dominated by the big battalions like Cadbury, Rowntree and Mars.

Rowntree Mackintosh serves to illustrate both of these points. With a factory in Hamburg and three in France, export sales are only part of its international strategy. Rowntree also helps to throw some light on why chocolate and chocolate confectionery exports to the U.S. have dropped in tonnage terms for two years running, from 9,191 tons in 1973 through 7,817 in 1974 to 5,295 last year.

The company's biggest export line was Kit Kat, but since the early part of 1973 the U.S. Hershey group has been making this product under licence. Meantime, Quality Street and Rolo have been coming in as export lines while Kit Kat has been phasing into manufacture but one could not expect a rapid build up in the teeth of a world recession.

However, last year Rowntree reckons that it saw real signals of a U.S. recovery during the second six months. It would expect a big contribution from Rolo, going up the same sort of export slope as Kit Kat did in 1971-73. By 1978, Rolo could qualify for local manufacture with other lines—Toffo, for example—going into the export category.

In Japan, it is mainly a case of local manufacturing: products like Kit Kat and Polo face major problems otherwise against a 35 per cent. import duty.

Cadbury has a similar U.S. story to tell, having opened a factory in Pennsylvania to make various king-sized blocks: however, in its own words it is "taking a range of products and rolling out westwards," which should mean that the decline in exports is strictly temporary. It is looking for a very big increase eventually at its main Bournville and Somerdale chocolate manufacturing plants, as the U.S. demand for its products outstrips local manufacturing capacity.

Cadbury will be surprised if the U.S. does not eventually match the U.K. as a market for its own sales. It also has big ambitions in Japan, where it is introducing a range of moulded chocolate and chocolate biscuit count lines—locally manufactured, for the same reasons as Rowntree gave. It sees France as a major growth area and Germany, with the same size of market as the U.K., as one to attack.

At Mars, the analysis is cool, and relatively detached. It could see no other way for volume to go in 1975 with a severe worldwide fall in consumer spending power, plus very high inflation of manufacturers' costs. But along with consumer resistance at the retail end to rapid price increases in 1974 and early 1975, Mars adds the wrinkle that many trade buyers overstocked ahead of the recession in demand. It would have taken some time for the stock position to work itself out.

Specific

Mars, then, merely implies that exports stand a better chance in 1976. But George Bassett, talking for the sugar confectionery majors, is more specific. In the early part of 1975, the alignment with the EEC on sugar prices meant increases in finished products prices to "third countries," which affected the U.S. and Canadian markets for a short while. Then sugar prices "started to equalise," and those markets are well on the way back.

Bassett, in mid-1974, also mentioned long-term contracts at fixed prices—to countries like Germany, Holland, Sweden and Denmark—which meant that it had to make higher prices stick (early in 1975 again), and wait for the consumer to accept them. Here again, it has been seeing a lot of recovery, and goes along with the general view of a long-term export uptrend.

Trebor Sharps is keener to talk about its own philosophy than the macro-economic trends. "To develop professional distribution and ultimately to take part in distribution" might sound like conveniently woolly marketing jargon. But a set-up which takes in overseas manufacturing units in Canada, Malaysia, Indonesia and Nigeri; distribution units in the U.S., Ireland (with a little manufacturing) Germany and Denmark; a licensing agreement in South Africa; and distribution through agents in most other countries in the world seems to reflect that philosophy well enough—with a strong product range to work from.

However, it does not necessarily take massive size, marketing muscle or heavily promoted brands to do well in the export game. Last year, the Queen's Award was won by Smith Kendon, which operates now from Bridgend in Glamorgan. This company is known for very high quality hand made sugar confectionery, on the one hand, and on the other diabetic products such as pastilles, chocolate wafer biscuits, hard boiled sweets and chewing gums, all under the brand name SKELS. Smith Kendon is not particularly keen about giving away its more vital business statistics: but those that won the award were export turnover which increased 12-fold in 15 years; overseas sales to just over 50 markets; and an export ratio to total sales of 70 per cent.

William Cochrane

Outlook for raw materials

THE GREAT sugar "shortage" in 1974 came as a considerable shock to British consumers, including, of course the confectionery industry. Previously for many years the supply and price of sugar had been very stable. Under the Commonwealth Sugar Agreement the British Government controlled the imports of cane sugar that supplied some two third of U.K. requirements, and this control was extended to regulating domestic beet production, and the price of sugar overall.

Now this control has passed to a great extent to the EEC and the Brussels Commission, and the example of 1974 has raised fundamental doubts about the reliability of cane supplying countries, even if those doubts are somewhat unfairly based.

The radical changes in the supply of sugar in the past few years, and the continuing debate over the future of the U.K. cane refining industry, would suggest that the outlook is uncertain, especially as the development of a chronic world shortage of sugar by 1980 is being forecast by many experts. But in fact, if anything, the future availability of adequate supplies of sugar to the U.K. consumer seems even more certain than in the past, although the price to be paid may be higher. The cutback in cane sugar imports from 1.8m. tons a year under the Commonwealth Sugar Agreement to 1.4m. tons under the Lomé Convention means that Britain is even more detached from world market forces than previously, since it is less dependent on imports.

It may be argued that greater reliance on domestic beet production leaves Britain very vulnerable to the erratic climate that has brought two disastrous beet crops in 1974 and 1975. But it should be remembered that the European Community as a whole is rapidly moving to the stage of becoming completely self-sufficient in beet production and may well become large exporters, bearing in mind the commitment under the Larné Convention to import 1.4m. tons each year. So even if the U.K. beet crop does fail again—something the British Sugar Corporation claims to be statistically very unlikely bearing in mind past performances—Britain now has the resources of the rest of the Community to call on in the event of an emergency. Significantly even though the Community beet crop as a whole last year was very disappointing, there are still more than adequate supplies available and substantial quantities are being exported.

Acreage

Given an average yield in the Community beet crop, there is likely to be the development of a sugar "mountain" bearing in mind the, increased acreage planted in recent years as a result of the sharp price rises granted to growers. The further 8 per cent. increase for sugar beet agreed in the 1976-77 price package, just negotiated in Brussels, will certainly keep growers keen even though it is claimed the rise only just about covers higher production.

The rise in the beet price this year, which takes effect from July 1, has been strongly opposed by consumers in the shape of the Cocoa, Chocolate and Confectionery Alliance, who claim that it is unnecessary for an "already over-inflated commodity."

It is felt that costly surpluses will result as the higher prices continue to subdue demand and the Community might be faced with heavy losses in exporting sugar at subsidised prices onto the world market.

Opposition to the EEC drive for complete self-sufficiency in sugar comes from the developing countries, with economies dependent on sugar export earnings. They feel it is unfair for the EEC to pursue a selfish policy of expanding beet production to the probable detriment of cane producers, who may well be squeezed out of the Community eventually and also hit by sales of surplus EEC sugar on the world market. Against this the EEC can point to predictions that the predicted world shortage of sugar by 1980, as a result of investment in new production failing to keep up with growing consumption, justifies a general rise in output worldwide.

Whatever may happen in the unpredictable world market, it does seem likely there will be more than adequate supplies within the Community, given even reasonable weather. This year, with planting conditions almost ideal and a much larger beet acreage planned in Britain, there are hopes that U.K. prices may be reduced slightly, even allowing for the 8 per cent. increase just agreed in Brussels, since the British price is currently some £20 a ton above the intervention level.

While sugar is by far the biggest, in volume terms, raw material used by the confectionery industry, one side effect of the shortage scare was to stimulate interest in alternative sweeteners, notably glucose syrups. The use of glucose in sweets has expanded greatly over the past 20 years, and they now account for between 30 to over 50 per cent. of the sweetener used in boiled sweets. Apart from its sweetening properties, glucose has other attractions for confectionery manufacturers which should help maintain its underlying growth in demand even with more stable sugar supplies. But entry into the EEC, and the higher price of maize imports as a result, does not augur too well for future price trends.

Cocoa

Uncertainty also clouds the future price outlook for the other main raw material used by the confectionery industry—cocoa beans. In the past few years the price of cocoa has shot up as a result of production failing to keep up with increased demand. Despite the higher price levels, and a drop in demand as a result, supply prospects still look none too bright. London merchants, Gill and Duffus, in their latest authorative market report are forecasting a net surplus of only 26,000 tonnes, and this is very much dependent on the hoped for upsurge in Brazilian cocoa output. If the Temporao crop in Brazil fails to live up to expectations, the predicted very small surplus could quickly disappear and prices move up sharply again.

High price levels may discourage cocoa consumption still further, but basically there is not much room for a big cut in demand since manufacturers at present are holding relatively small stocks and much of the potential fall in consumption has already taken place. One possible area of cutback, however, may be the Soviet Union and Eastern Europe countries if they are faced with having to concentrate on paying for large grain imports.

In the longer term it is hoped that production of cocoabeans will be stimulated sufficiently to enable stocks to be built up to more reasonable levels, and there are certainly expectations of big output increases in Brazil and Ivory Coast. But Ghana, the world's biggest cocoa producer, still shows no signs of tackling the basic problems that has brought a decline rather than a rise in output.

John Edwards

هكذا من الأصل

The small man fights back...

THE RECENT RATE at which confectionery, tobacconist and newsagent shops have been going out of business has been over 1,000 a year. The large proportion of them have been the small, local shops in private hands, which are so familiar to us all.

Nonetheless, even at this rate of withdrawal from business, either through financial failure or from sheer disillusionment, Britain is in no real danger of not living up to its reputation as a "nation of shopkeepers," for while many shops go out of business each year, many new ones come along to take their place.

It is, however, true that times are pretty hard at present for some sections of the retailing sector and that many of what the trade calls the "CTNs" are among those most feeling the pinch. But in other areas, such as grocery retailing, there are many who will argue that the present set-up of things enables the small, one-shop family business to do very well.

In recent years two major changes have taken place which have been preceded by cries that the small retailer will not be able to cope; nonetheless many seem to have managed to do so. First was the introduction of decimal coinage and second was imposition of value added tax. The first innovation left the retailer with quite a large educative role to play as the general public adapted, sometimes grumblingly and with accusations that the coinage was inflationary, to a new type currency, while VAT undoubtedly placed an extra administrative burden on the small retailer.

At present the bane of the small retailer's life is metrication. While the final changeover date to bring Britain in line with its Common Market partners is not until the end of 1978, most retailers are being urged by such trade associations as the Newsagents' Federation to convert by the end of this year.

What this largely entails is conversion of scales at a cost of about £20, but, given the physical volume involved, there are some who feel that the time factor is too tight.

Educative

Still to be accepted, also, is what weight should replace the quarter pound. The Metrication Board is going for 100 grams, which is less than a quarter pound, while much of the retail trade would prefer 125 grams. There are psychological reasons behind this argument, since—faced again with an educative role as far as the general public is concerned—the retailer may prefer to trade up to 125 grams and explain to his customer that he is getting a little more for the extra money, rather than drop the weight and explain that a little less is being charged and that the customer is not being taken for a ride. (One could also argue, of course, that raising the weight (and thus the price) will lead to greater business, provided that resistance doesn't set in among customers).

One real possibility resulting from metrication is that many small CTN businesses will give up trying to up-date themselves with metrication as far as their sweet sales are concerned and, rather than bother with metric weights on weigh-out sweets, will merely stock pre-wrapped varieties. The effect could be considerable, given that weigh-out sweets represent 20 per cent. of the current total annual sweet sales of about £900m. in the U.K.

Other problems which all small retailers would argue puts them in a more precarious position are rising rates and increased wages. In the last three years or so many shops have apparently had to cope with rates increases of 200 and sometimes nearer 300 per cent., and the result of this has been to drive many small retailers off the High Street. This is certainly true of the confectioner/tobacconist, which at one time formed a generally small but integral part of the High Street scene but which is now becoming a rarity.

Then, on the wages front, the past 16 months have seen men's wages rise by about 48 per cent., while women's pay—as they have been brought in line with men as a result of equal pay legislation—has gone up by over 50 per cent. It can, of course, be argued that the increases have not been before time, since wages have historically been low. But, with another round of rate increases in April, together with wage rises due that month, which may result in between £5.50 and £6 being added to the average shop assistant's wage of £24, the rises in percentage terms will be stiff.

The difficulty of this situation cannot, however, be said to apply to all small retailers. With so many of them being family businesses, the wages policies laid down nationally do not necessarily apply and while a living wage obviously has to be gleaned from the business, such families are generally in the trade for different reasons. They have greater flexibility, for instance, in having members of a family able to put in an hour or two's time in the shop when necessary, rather than having to pay a part-timer for a stipulated amount of time.

Worry

More recent developments on the tobacco front have added another worry. With costs of tobacco going up, the tobacconist has to find more money to finance the same amount of stock, and his insurance cover will also cost more on inflated stock. At the same time, on the last round of manufacturers' increases the credit period extended to the tobacconist was reduced from five weeks to four.

While these tales of woe must lead one to wonder whether small retailing is worth it, there must clearly be attractions, even in to-day's hostile economic climate. These attractions certainly lie in being your own boss, and provided that adequate preparation is made when starting up, with sound business sense applied in terms of financing and stock control and type of stock, a good living can undoubtedly be made.

The same can be said for one of the other more prolific small retailing sections—the grocer. Here, though, there are those ready to suggest that his lot has been much better than that of the CTN through the present economic depression, and even that the facilities now exist for him to be in a much sounder trading position than say, 20 years ago because of the organisations that he can link into to help him.

These include the voluntary trading organisations such as Spar, VG and Mace, which in effect act as the bulk-buyers for all the member shops. Thus, the small local grocer is able to maintain a large degree of independence while benefiting from the economies of scale which put supermarkets into such a strong position. In addition to pure cost advantages on products, the voluntary groups also organise promotional activities and help their members to carry these through.

Even those not part of such organisations can gain similar benefits from the growing practice of local cash and carry firms to build up close relationships with independent grocers as a way of creating greater volume for themselves—a vitally important point given that cash and carry businesses operate on gross margins of around 7 to 8 per cent., but net margins of an average 1 per cent.

While the small grocer is still a declining breed, his ability to operate with stock buying benefits and as a family unit, the members of which, like the CTNs, will have different incentives and objectives, has placed him in a relatively strong position. Also, his ability to provide a more personalised service can have its advantages. At the same time, however, he is as vulnerable as any to rapidly rising rates and wage levels.

Some of the greatest pressures have been felt by furniture retailers—who find it very difficult to compete with department stores and specialist stores which can offer large discounts—and also by small drapery shops, which again are in a very weak position because of the presence of the large stores.

Nicholas Leslie

Children in their local sweet shop in Wal... Surrey.

...but numbers decline

LAST YEAR confectionery prices rose by 35 per cent. and sales fell by 10 per cent., to around 7.3 ounces per head a week, only marginally above the lowest consumption rate ever. This year prices are likely to increase less than the overall cost of living and the market should pick up to around 7.5 ounces.

The difficult trading conditions of 1975 intensified the swing towards the big battalions—the grocery multiples, the variety stores like Woolworths, and the big confectionery chains—and away from the small confectionery, tobacconist and newsagent shops. But as a sector the CTNs still account for 46 per cent. of sales, as against 28 per cent. through grocers and 26 per cent. via a whole host of other outlets, from pubs to garages to cinemas.

The CTNs importance may be declining by about 1 per cent. of the market a year but with confectionery such an impulse buy the manufacturers are taking pains to support as many outlets as possible. As Rowntree says "the small CTNs are important to us because of their big role in the maintenance of industry volume. We trade directly with the CTNs, and hope to continue to do so."

But obviously the major confectionery companies cannot subsidise calls and Cadbury-Schweppes, market leader with around 24 per cent. of sales and dominant in chocolate lines with over a third of the market, has reduced its deliveries from 110,000 outlets ten years ago to 65,000 last year. A CTN will get one annual six calls from Cadbury if it takes £250-worth of merchandise a year.

Wholesalers

The corner sweet shop can get by without direct delivery because of the importance of wholesalers in the confectionery industry. Just over a half of manufacturers production will be delivered directly to the shops. Of the remainder 22 per cent. goes to CTN wholesalers; 15 per cent. to cash-and-carry depots, which are getting very interested in confectionery; 6 per cent. to symbol wholesalers; and 2 per cent. elsewhere. Rowntree or Cadbury will supply the bulk of the lines direct to the shops but wholesalers are an important source as are the visits to the cash and carry warehouse.

The confectionery industry is rather like the grocery trade of 10 to 20 years ago in its retailing sophistication. There is the same steady decline in the number of CTNs—down to 52,000 in the 1971 census, of which 41,000 were one-man-owned outlets, and almost certainly a further decline to around 45,000 all told since then. The small shopkeepers are going out of business or being absorbed by the multiple CTNs which have become the new force—companies like Martins the Newsagents; NSS; and the Imps subsidiary Finlays. Some of these chains are now over 400 shops strong and adding 20 or so completely new sites or acquired businesses a year.

The multiples can negotiate better deals with the confectionery manufacturers and therefore offer lower prices than the small man. They can also control deliveries and manage stock control better—the corner shop CTN faces the big problem of having its capital tied up in large amounts of slow-moving stock. Apart from bulk discounts the chains can also get the manufacturers to produce "own brand" lines which also offer a saving to the consumer. Martins (with NSS) the largest chain, with 420 branches now has 15 "own lines," although it is careful to ensure that they are not identical with the branded products of its suppliers.

The greatest competition to the confectionery chains will come from the grocery multiples which have increased the amount of their turnover from such products from about 1 per cent. ten years ago to over 2 per cent. of sales, and even more in profit. The big chains like Asda and Woolworth are negotiating with Cadburys and other manufacturers to produce their own packaged lines, carrying the retailers name, and often offered on a special promotion.

This is especially true of the cut-price multi-packs which are an important development, and now represent 20 per cent. of the count line turnover in some multiples, although their popularity, especially among CTN's, is tempered by the cash they tie up. However, the grocery giants are now facing their own challenge from chains like Boots and other chemists which are diversifying into selling confectionery at quite favourable prices. W. H. Smith may be the next major multiple to experiment in this market.

Although the grocery companies are responsible for many new features in confectionery sales, such as the multi-packs, and "pick-and-mix" facilities for consumers, they also reinforce the trends towards a more limited range of brands, and pre-packed confectionery. Less than 50 per cent. of sales now come from loose sweets and chocolates, and metrication, with its new language of weights, will intensify the attraction of the packaged lines. On average a CTN will stock around 300 lines and the selection is falling as retailers cannot afford to carry the slower moving brands. The bigger High Street shops, with a higher traffic flow, may be able to offer specialist counters but in the main consumers will experience a reduction in choice.

Last year was not at all conducive to the introduction of new brands, but, in the main, confectionery manufacturers acknowledge the fashion and novelty elements in their trade and either re-package old lines (Mars is currently re-launching Treets as Minstrels) or bring completely new ideas (often borrowed from abroad) on to the market. Cadbury, for example, has, in the recent past, tried out up to a dozen new brands, each in a different TV region, to discover in the field those with most potential. The new lines usually displaced the slower moving existing brands, and there has been considerable rationalisation in the number of products marketed. Now retailers are doing some stock shrinking of their own.

But new products, and new manufacturers, can still succeed—with new marketing methods. Ferrero, the Italian company, has done extremely well in the U.K., especially with its Tic Tac lines which should reach a £10m. turnover this year. Ferrero does not make or market over here. Food Brokers the leading broking firm, does all Ferrero's distribution for it, allowing the company to concentrate on the broader marketing objectives.

The diversity in the ... tionery industry ensu... certain areas can pros... others are in decline. ... chocolates, for example ... currently selling as ... count lines. This a... retail set up, since it is ... ventional CTN, already ... exposed area, which ... the expensively pack... ducts for extra profits ... multiple grocers get th... from the cheaper, imp... They are reluctant to ... expensive lines.

The higher profit ... tionery, at a time when ... grocery products are ... to both price control ... motional competition, ... crease its attraction to ... tiple but there are s... some of the methods ... to the grocery trade ... ways succeed when a... chocolates. Multipack... offer a good-looking p... are in the discount tr... multiples, but they ... sales from count li... there does not seem ... same potential in con... "own label" products.

In the main the ... trends are at work in ... dustry. The corner ... losing business, fa... justify direct deliver... some manufacturers a... dent on the local cash ... for their stock and ... venience for their cu... confectionery mu... growing in influen... confectionery whol... haps moving towards ... carry depots. And the ... Street multiples, whi... be trading in anyth... groceries to books, a... their buying muscle an... knowledge and public... tion to add confecti... their broadening r... goods stocked.

Antony Tho...

The Executive's World

EDITED BY JOHN ELLIOTT

With 5,000 industrial tribunal cases due this year, employment law is a new risk area for companies

Lawyers move into labour courts

AT THE end this month a new High Court l open its doors for the firsime. It is to be called the Ploymemt Appeals Tribunal art is the TUC's and the Labour vernment's answer to the Co'rvatives' ill-fated National lustrial Relations Court whidied two years ago along w the Industrial Relations t. The job of the new Trit'l will be to act as informal and as speedily as possible, aring appeals from the cou's network of industrial trials on a wide range of en ment and labour law ca The spread of these cases eing expanded with the in uction of new legislation ineral employment and wome rights.

Bu EAT, as the tribunal is ro own, has a more basic sign ice than merely taking bac o a special High Court the ellate role of the NRC. Th because it serves to un ne the recent growth an icreasing complexity of B 's employment laws. The cations of these laws are so wide and their impact is tially so expensive to com s that managements' day y dealings with workers becoming weighed down by tory restraints. From the aing and redundancy pay ts legislation of ten years to this year's Employment tection Act and proposals new race relations legislan, managers' freedoms have een curtailed.

In effect, what trade union eaders have always insisted should be a voluntary system of employer-worker relationships, without the law being used to inhibit unions' freedom to bargain, is increasingly becoming a lawyers' paradise. As a result, senior trade union policy makers are now reconsidering their overall strategy at the end of a decade which has seen trade union members gaining more from legislative advances than from traditional industrial bargaining. The issue for these union leaders is whether they should push for further legislative improvements both for their own organisations and for individuals, or whether they should fall back on old-style industrial bargaining till the new laws have settled down.

This, however, is a long-term debate, hinged around the next general election manifestos and the years that follow. In the meantime there is the problem for managements about how to react to the new laws and how to defend themselves when they are taken to industrial tribunals. From tribunals there will soon be appeals at the EAT with a possible final stage of an appeal to the House of Lords since the EAT fits into the country's legal system like any other High Court.

The size of the problem is illustrated by the number of cases being heard by these tribunals, whose judges—or panel members as they are known—are being increased from a total of 1,500 to 2,300. These people sit in threes—two lay members each representing either side of industry with a legally qualified chairman—and last year they heard nearly 36,000 cases. This year, with the new laws, the total is expected to rise to 55,000, of which some 50,000 will involve cases arising from workers claiming that they have been unfairly dismissed, inadequately compensated for being made redundant, wrongly advised about their contracts of employment, unfairly discriminated against under the new Sex Discrimination Act, paid too little under the Equal Pay Act, or in some other way wronged under the Employment Protection Act.

It is intended that the hearings of these individuals' complaints (the occasions on which employers initiate tribunal cases are rare and are mainly limited to a small number of docks and training legislation issues) should be as brief, informal, simple and cheap as possible. This is partly in order to make it easy for an individual to assert his rights and partly, in the interests of good industrial relations, to clear up squabbles which can upset a factory's relationship.

Anyone can appear on behalf of anyone else—husbands even plead for wives—or one can represent oneself. The tribunal clerk soothes and assists nervous individuals who are held to be right unless the employer concerned proves them wrong—in other words the burden of proof is on the employer who is considered liable or "guilty" unless he proves otherwise.

The result is that, instead of those concerned becoming gradually converted to the ease and speed of informal non-legalistic proceedings, industrial tribunals have shown a tendency to attract a growing number of lawyers. Although there are no detailed figures to prove this, it also seems reasonable to argue that the new batch of employment laws will hasten rather than slow down this legalistic trend because managements are becoming increasingly concerned not to let any case which might set an expensive legal precedent go by default.

In one three-week period in December a survey of 927 cases at the tribunals showed that roughly half of both the individual-complainants and the employer-defendants had some form of special representation. This in itself is not that remarkable. What did stand out, however, is that the employers' representatives were almost all lawyers—normally these are local solicitors although barristers are sometimes hired in the London area. Only 5 per cent. were employees of employers' associations who sometimes appear for companies.

INDUSTRIAL TRIBUNAL CASES

Number of cases heard	
1965	1,285
1971	9,506
1973	14,523
1974	16,461
1975	35,932
1976	55,000*

*estimated

Experts hired for hearings by:

Employers	Individuals
50% lawyers	23% lawyers
5% employers' association staff	18% trade union staff
	7% others

Figures are percentage of 927 cases at tribunals in part of last December.

For the individuals, it was significant that only about 18 per cent. were represented by trade union officials, normally considered a primary source of help, while only 23 per cent. of the individuals hired lawyers.

These figures are similar to some being collated by the Department of Employment from a general 1973 survey (there was no significant change in employment law as it affected individuals between 1973 and last December) which showed that employers hired lawyers in about half their unfair dismissal cases and in 40 per cent. of those concerning redundancies. Another 10 per cent. of the employers were representd by personnel managers and staff.

This high level of expert pleading on behalf of employers has led to some suggestions that the courts' general legal aid scheme should be extended to tribunals for use by individuals: at present there is no provision for the State to pay for lawyers to appear at the tribunals although their services up to a ceiling of £25 can be covered for advice and other lawyers' back-up services.

Sir Raymond Phillips, the judge who is to be the Employment Appeals Tribunal chairman

But there is another problem. This is that the engagement of lawyers normally leads to the case being delayed while they pursue their normal course of seeking adjournments to prepare detailed facts. It also normally leads to the hearings being prolonged while they deploy legal arguments and produce far more witnesses than are normally needed in the tribunals which, unlike the courts, can accept hearsay evidence. Such delays neither help to settle industrial relations disputes quickly nor do they give the worker speedy redress—although there is some inconclusive evidence that the lawyers tend to win.

The question of legal aid is now being considered by the Lord Chancellor's advisory committee on the subject. One idea it is considering, from the Department of Employment, is that a form of financial aid should be provided. The idea is that it would be available to pay for industrial relations as well as legally qualified people. This would not be out of place it is argued in a tribunal which already has two lay members sitting alongside the legal chairman.

The basic problem however—and it looks insurmountable unless lawyers are banished from the tribunals—is that managements quite logically hire the most expert help needed to protect themselves against the myriad of laws. And they are likely to do so even more now that the EAT is taking the job of hearing appeals away from the ordinary courts which have been dealing with them since the NIRC was abolished. The number of appeals from tribunals dropped from 4 per cent. to 0.8 per cent. when the easy-going informal and cheap NIRC appeals procedures were replaced by the slow, formal and more expensive ordinary courts nearly two years ago. The success rate for appeals at the NIRC was about 50 per cent. and the caseload can therefore now be expected to climb back.

What all this means is increased litigation with managements being more and more anxious not only to hire lawyers but also to indulge in extensive behind-the-scences work on cases. All in all it means diverting experts in personnel and other departments and in trade union offices away from their primary role of cultivating stable, voluntary labour relationships—while the lawyers help to complicate the new legislation with case law.

John Elliott

SSRC REPORT

Study of company responsibility

PLANS TO call leaders of both sides of industry together to assess the social responsibilities of industry under a research programme are being drawn up by the Social Science Research Council. This follows the publication yesterday of a report—The Social Responsibilities of Business—drawn up by an SSRC advisory panel established in 1974.

The document recommends areas for research, such as workers' health, employment practices, and safety of products, and suggests as a priority that there should be case studies of some recent efforts to impose social responsibility by law.

The report is designed primarily as a document for discussion and the next major hurdle will be to translate what is essentially an academic treatise into a research programme to produce specific recommendations and guidelines. This is apparently what the SSRC council is now considering. It has been estimated that the research would cost about £327,000, and the SSRC panel feels that at least £150,000 of this might be funded by companies.

Provided the SSRC can raise the necesary funds, it is likely that the panel's suggestion of setting up an "executive panel" to take charge of a research programme would be accepted. This would bring in industry representatives, both management and union, to balance the academic membership.

The SSRC panel suggests case studies of the effects of efforts to impose social responsibility by law "not only because of the intrinsic importance of state intervention as a means of raising standards of social responsibility, but also because so much harm can be done by yielding to the pressure to legislate without sufficient examination of the problems created by doing so."

The report prefaces its recommendations with various observations about the history of the different social and economic factors which have decided how socially responsible companies should be.

In tracing the ability of business to adapt to social change, the report suggests that early entrepreneurs like Joseph Rowntree—who built the village of New Earswick—could please themselves about expressing social responsibility. Modern managers, on the other hand, however enlightened, are "more likely to be conscious of potential conflicts between social and other objectives of the company."

The report also suggests that while social responsibilities may be encouraged by institutional structures which industry may choose or which the State might impose, this may also produce "blindness" to other responsibilities. "The institution of worker-directors, or supervisory boards including workers, might be thought likely to encourage attention to the wider social effects of the firm on its workforce, though some believe that it might militate against consumer interest," says the SSRC.

Some evidence was received by the panel arguing that the most hopeful path to social responsibility was a gradual extension by the State of enforceable requirements about behaviour.

The Social Responsibilities of Business, A Report to the Social Science Research Council by an SSRC Advisory Panel. SSRC, 1, Temple Avenue, London, E.C.4. 50p.

Nicholas Leslie

BOOK REVIEW

Company mergers and the EEC

Acquisitions and mergers, Government policy in Europe: an EAG Business Research Study published by the Financial Times, price £50: F.T. Business Enterprises Division, 10 Bolt Court, London EC4.

BUSINESSMEN ENGAGED in merger negotiations must learn to treat the Monopolies Commission seriously and, if their case is referred to the Commission, to offer rigorous and carefully thought out reasons for the merger. "Vague promises and ill-prepared cases" are likely to be rejected.

This is stated in a new study of Government policy towards mergers and acquisitions written by Mr. Brian Chiplin and Professor Dennis Lees, both of Nottingham University.

After an analysis of recent Monopolies Commission reports the authors conclude that in the case of horizontal mergers a well-prepared case, based on a clear rationale for the merger, as long as it does not involve the combination of two active competitors in a highly concentrated industry, has a good chance of success.

The authors suggest that at some time in the future there might be a change in U.K. policy whereby proponents of mergers would have to satisfy the Commission that their proposal is positively in the public interest: under present rules the Commission merely has to satisfy itself that the merger is not against the public interest.

The European Commission's draft proposals, if implemented, would have their biggest impact on those EEC countries which, unlike the U.K., do not have a merger policy of their own.

The authors comment: "The Commission itself would become investigator, prosecutor and decision-maker, which one suspects will be a turn for the worse: the degree of uncertainty facing businessmen will be increased rather than reduced."

The authors think it probable, however, that a compromise will be reached which will leave the U.K. authorities with considerable discretion in the majority of merger cases.

Geoffrey Owen

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FRIDAY, MARCH 12, 1976

Dog days for Labour

IN ONE of the earlier rounds of his long war with Left-wing rebellion in his own party, Mr. Harold Wilson was once rash enough to talk of dog licences. The Left operates rather on the *principle that every dog must* have his day, and picked the vote on the Government's public spending plans to celebrate its ritual mutiny. The reaction was what the Left, were it interested in the real world, should have expected: Sterling came under pressure again, at a cost to the reserves of some $5m. per abstention; and the Prime Minister was driven to counter attack, with a far more inflexible commitment to the *responsible parts of* Labour's programme.

Narrow path

The fact is that the Left could hardly have laid on a more telling demonstration of how narrow a path the Government has been treading. The underlying situation, as the Bank of England has pointed out, offers a real opportunity of steady export-led growth, provided realistic policies are followed. However, there are two persistent illusions which threaten realism: the belief of the Tribunites that the economy grows stronger with every unproductive burden piled on it—an unholy mixture of Marx, Keynes and sheer moonshine: and the illusion of some trade unionists that growth can be achieved without profits. Both illusions have been repudiated by Ministers and the more responsible trade union leaders: but memories of the policies which the Left has been able to force on Governments (and not only Labour governments) remain. It is only reasonable if our foreign creditors decide to hedge their bets on a British recovery whenever the Left decides to go baying for the moon.

Since the Tribune group chose to stage its sit-down strike just after the authorities had *for once* blundered badly in their technical management of the exchange market, the effect on sterling was greatly magnified. The issue is now simply one of confidence. Talk of purely technical remedies—such as the City rumours of some manoeuvre to raise money market interest rates yesterday —completely misses the point. No interest rate will compensate overseas sterling holders for the damage they would suffer if inflation were to accelerate away again. The question is not one of credit policy, but of credibility.

It is not an appeal by Mr. Wilson to the spirit of Rambouillet—and soon, if matters get any worse, to the spirit of Dunkirk—that will restore confidence, but Government actions.

The Budget stance, public spending policy and anti-inflation policy have now become a single, complex issue. The Chancellor has been torn between a sensible wish to do something to sweeten wage restraint for the unions and the brute facts of public finance—not to mention the commitments implied in his letter to the International Monetary Fund. There is no room to yield to calls to boost demand, a point underlined by the recent improvement in the economic outlook, but it is possible to help wage-earners. The issue is not only wage restraint: there is also the trade-off for trade union consent to urgently needed amendments to the price code.

Unnecessary peak

By far the best way to cut the knot would be to make an attack, even now, on the spending programmes for 1976-77, the unnecessary peak before the planned cuts begin: the place to seek them is in housing policy, the ugly and mis-shapen sacred cow which the Cabinet decided to preserve from sacrifice (just about the worst possible choice). A cut of a few hundred million here—simply, perhaps, by switching the emphasis back from new building to rehabilitation, which generates more employment—would help confidence and buy room for fiscal manoeuvre. The second essential, whether further cuts are made or not, is that fiscal options should be kept open until it is known what hard commitments can be *obtained from the unions:* the opportunity for taking fiscal gambles vanished when the foreign exchange markets opened last Friday. Given firm policies of this kind, backed by a meaningful plan for cash limits on spending, Government can still win back the confidence which Mr. Healey has recently begun to earn. This week's events leave no alternative.

A defence of the institutions

THERE is a widely held view that the institutional shareholders have been failing the nation, either by not channelling enough funds into manufactur*ing industry or by neglecting to* exercise sufficient control over the companies in which they hold shares. This view, together with the belief that inadequate investment is the main cause of Britain's economic weakness, lies behind recent proposals for redirecting institutional funds into industry: some new suggestions along these lines were contained in a Fabian Society pamplet published this week. It also underlines the proposed "Equity *Bank," sometimes* regarded as the City's answer to the National Enterprise Board. The institutions themselves have been slow to react to these accusations: yesterday's speech by Mr. David Hopkinson, chairman of M and G Investment Management, was an attempt to correct the balance.

Management

Mr. Hopkinson admits that the owners of industry have not always been as active in the duties that accompany ownership as they should have been; they should do more, he suggests, to get to know the managements of the companies they invest in and to assess their performance. What happens when the investor comes to realise that the management in a particular company is bad? Mr. Hopkinson rightly rejects the notion that there is some duty on an investor, once he has made an investment, to stay with it permanently for some unspecified national interest. But there are cases in which a straight sale of the shares is, for one reason or another, impracticable or undesirable, and in which the institutions must take steps to ginger up the management, or replace it.

The worst way of doing this, in Mr. Hopkinson's view, is through a standing committee. The failure of the Institutional Shareholders Committee, set up at the instigation of Lord O'Brien when he was governor of the *Bank of England,* certainly supports his case. It did not tackle the really difficult cases—Mr. Hopkinson instances a bank and an insurance company which were suitable cases for treatment—and even its dealings with smaller companies did not apparently achieve a great deal. Mr. Hopkinson's preference is for ad hoc groupings to deal with specific cases; such arrangements need not reduce the personal responsibility of investors in their relationship with the companies in which they invest.

Bond market

Mr. Hopkinson referred yesterday to the fondness for new organisational gimmicks, distracting attention from more basic problems. It is still not clear that either of the functions intended for the Equity Bank—intervention in badly managed companies and the provision of finance to companies in temporary difficulty —requires the creation of a new organisation. It is perfectly true that the virtual disappearance of the corporate bond market has deprived industry of an important source of finance, but this has very little to do with the institutions; it is the direct consequence of Government policy.

If the current debate about the role of the institutions makes them more self-critical about their performance, in relation to their own policy holders and shareholders and in relation to the companies in which they invest, that is all to the good. But it does not follow that the creation of a new organisation would automatically solve industry's financing problems.

The past two weeks, in which seven workers have died in violent clashes with the authorities, have made Spain's future look bleaker than at any time since the death of General Franco.
A report from **Roger Matthews** in Madrid

The time bomb that threatens a Spanish explosion

An 18-year-old youth died when the Civil Guard opened fire on these demonstr... in the Basque stronghold of Basauri, an industrial suburb of Bilbao, on Mond...

RADICAL Labour leaders and more extremist Left-wing politicians are this week claiming that Spain is at the start of a revolutionary process led by the working class. The extreme Right is convinced, as ever, that the civil war has not yet ended and that a further crusade to save civilisation may have to be fought. The Government speaks with different voices but officially says it will not be deflected from its path of gradual liberalisation by the agitation of a few tiny minorities. The more moderate political parties from Left to centre-Right talk, meet divide, regroup and issue statements but until they are given both legality and the funds to organise seriously the truly democratic alternative they remain open to cheap jibes, not least from certain Government Ministers.

With seven workers killed *during violent clashes with the* police and para-military Guardia Civil in the past fortnight, already twice as many man hours lost through strikes this year than in the whole of 1975, nearly 100,000 workers under army discipline, rows within the Cabinet over the handling of economic policy, nine officers court martialled for plotting military rebellion, the regional question rearing its head and priests of the Roman Catholic church accusing the police of murder, it is scarcely surprising that polarisation appears at this time a more potent force than moderation.

The legacy of Franco

Inevitably the legacy of General Franco was going to prove difficult not least because the institutions he erected were not meant to function as independent bodies but as polite echoes to the wishes of the master. Without General Franco, the Cortes, the Council of the Realm, the National Movement, the Government, and King Juan Carlos sometimes appear unsure of where and at what speed they should be heading. Indeed, some members of these august bodies want to stay *just where they are.*

There are two men in the Government however who do appear to know where they would like to lead the country. Senor Manuel Fraga Iribarne, the Interior Minister, and Senor Jose-Maria De Areilza, the Foreign Minister, have flooded the media with forecasts of universal suffrage, Parliamentary elections, a two-Chamber system, reform of the State-run trade unions and freedom for political parties—except, of course, Communists, separatists and anarchists.

But however sincere their statements, they are but two voices from within the Cabinet whose authority is strictly moral, having neither won a civil war nor been elected by the people. This is a fate which afflicts the entire regime, from King Juan Carlos down and must be at least in part responsible for the present troubles.

The killing of the worker in Elda and the four in Vitoria last week sprung directly from labour disputes. It is a cliché that the bulk of the Spanish working class enjoyed real increases in their standards of living for most of the 1960s and early 1970s but none the less a factor of crucial importance when Spain's growth rate for last year was around zero and *unemployment steadily rising.* Inject into that situation the absence of free trade unions, which inevitably thrusts working class discontent into the hands of the more militant political groups, and a speech by Senor Juan Villar Mir when he took office as Finance Minister in which he said that the labour force had been paid too much over the past couple of years, and again no one should be too surprised by what has been happening.

One of the temptations for Ministers, which some readily accept, is to present the country and even Europe with the stark choice of "us and our programming of reform" or "them," the Communists, anarchists, and separatists. Strikes, demonstrations and street violence might lend weight to such an argument among the more politically *naive but it also serves to promote* the same polarisation that was so evident throughout the Basque provinces and parts of Catalonia during recent weeks.

The response of the Government to the deaths at Vitoria in particular, where the toll could easily have been much higher, has been two-fold: on the one hand it has tried to prove that the police opened fire only after gross provocation, stretching over more than six weeks. On the other hand Senor Fraga and Senor Martin Villa, the Minister responsible for trade union affairs, have striven to remove some of the more basic obstacles to labour peace. They appeared to have succeeded in part when a special mediator decided that workers sacked by their companies for taking part in strikes must be reinstated, although the issues of pay and conditions remain unresolved. But within *24 hours the policital police* moved in to arrest three members of the workers committee which had apparently been coordinating strikes in the town.

Such apparently contradictory actions are perhaps inevitable from a Government which lacks a strong unifying personality. What was rather less comprehensible from the point of view of the people of Vitoria was that no word of blame or reprimand was directed towards the Civil Governor of the province or the riot police commanders. With four people dead and another 50 wounded by bullets the omission was glaring. The 500,000 workers who struck in the Basque provinces on Monday, in the biggest anti-regime demonstration seen for decades, clearly shared this view and make it more difficult for the regime to blame all opposition on subversive minorities. Although several police officers were slightly hurt during the widespread demonstrations in the Basque provinces on Monday people find it difficult to cite a convincing reason why the Guardia Civil needed to open fire and kill an 18-year-old in the town of Basauri near Bilbao. When workers are allowed to hold authorised meetings or demonstrations they invariably turn out to be totally peaceful.

Although the Government has sent the Cortes a draft law permitting more freedom of meeting and assembly, its discretionary powers over what to allow would certainly be employed to prevent the sort of massive demonstrations that would follow if the Catalans and Basques were allowed onto the streets to demand local statutes of autonomy. That, according to Senor Fraga, is separatism, and will not be tolerated. Yet that is what is at the heart of the regional question. And as these two areas have a high degree of regional indentity, and also a large part of the country's manufacturing capacity, it is not a question which can be solved with cosmetic concessions to local cultural and language perculiarities. These regions will obviously be in the forefront of the continuing recession.

Contrary advice

Meanwhile, Senor Villar Mir's public utterances and the precipitate devaluation of the peseta, against a wealth of contrary advice, have aroused criticism from different quarters.

Apart from the domestic *inflationary effect of devaluation,* given Spain's heavy reliance on oil and other imported raw materials, it will be at least 10 weeks from the time the decision was taken for the complementary package of measures to be put into effect. Some of the Minister's own advisers argued strongly that the competitive edge given to Spanish exports by the devaluation would be wasted unless other West European and American markets were already showing positive signs of revival. If not, then inflation, with its parallel social consequences, would undo the benefits within six months.

With Spain likely to run a payments deficit of about $2.5bn. this year—and perhaps more if tourists are frightened off by the violence—plus the fact that there is growing resistance in international *markets to extending by very* much more the country's total external debt of $9bn., there may come a time later in the year when harsher economic decisions have to be taken. Unless the Government can be seen by then to be more popular, and unless there is a Prime Minister who understands the correlations between economics and politics, further working class bitterness would seem assured.

There *is no doubting* the degree of alarm this combination of circumstances is causing within the country, which has been heightened by the spotlight thrown onto the court martial and sentencing this week of eight captains and a major for plotting military rebellion. The more enlightened military, especially those that have seen service overseas, tend to argue that, like the rest of Spanish society during the past two decades, the Army has not been united but merely passive. The jailing on Wednesday of the nine, for belonging to the Military Democratic Union, (UMD) is the result of senior generals feeling that they had to make an example of "active democratic tendencies" within the Armed Forces which smacked too much of events in Portugal. Whether they will have done more harm than *good with the court martial* is open to question, especially as the military suffered a recent rather humiliating withdrawal from the Spanish Sahara in the face of Moroccan pressure.

When one of Madrid's main daily newspapers begins warning in a front page article that the present wave of violence has aroused fears of a slide towards "anarchy" and the consequent danger of a "reactionary blow," it is clear that rumours of possible military attitudes have penetrated deep into the Establishment, much of which is looking for eventual entry into the Common Market. Any move by the more conservative or ultra-Right within the regime to turn the clock back could be taken only with the tacit approval of senior Generals and the parallel danger of reaction among the more junior ranks. In the same way more liberal *forces within the regime argue* that, however theoretically advisable it may to come to terms with the Communist Party, these same generals would not permit it because of memories of the Civil War. Yet to leave the Communists as an illegal force gives them a greater potency than could ever achieve initially the ballot box, and would render nugatory any trade union reform.

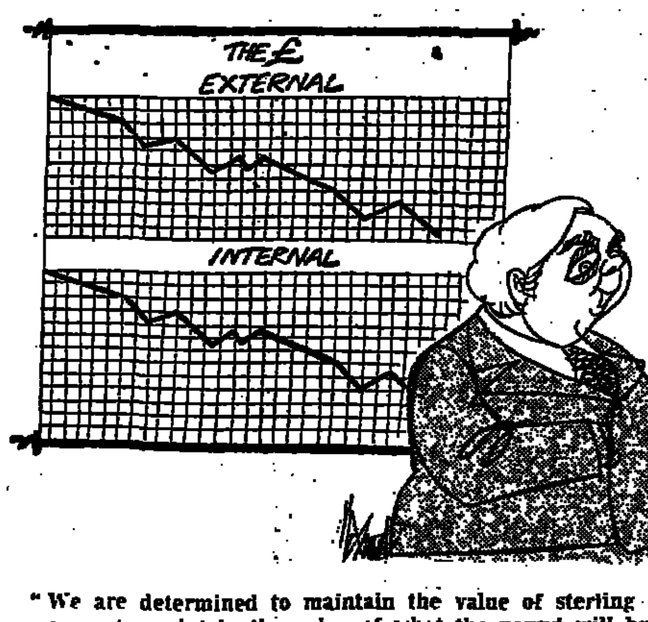
Ever-present danger

There are signs, however, that the Spanish Communists, like their French and ... comrades, have renounce... revolutionary process and dictatorship of the proletariat, would like to cool tempers a while. As usual, their present danger is from organisations farther to the Left. During times such as these, when an important degree of labour unrest has its base spontaneous resentment of economic conditions, they cannot afford to appear too far divorced from such aspirations. More dangerous from the more moderate Left's point of view, and especially that of the mainstream Socialists, is that a hardening of Government attitude—and more violence—would push it, through necessity, into the arms of the better-organised and financed Communist Party.

Thus, the options of the Government and the King remain basically unchanged from the day they took power but with time rapidly becoming the critical factor. Either they can drift on with their leisurely, cautious or "prudent" programme of mild liberalisation which is still more verbal than actual, or more critical decisions can be taken to restructure the Government and harness the support of what must surely be the vast majority of the public for a more rapid push towards democracy. Either way there are dangers. But at some point a way of isolating the political extremes which at the moment offer threats far in excess of their numbers has to be found.

MEN AND MATTERS

Once more unto the breach?



"We are determined to maintain the value of sterling as we are to maintain the value of what the pound will buy, what sterling is worth, internally."

It would seem that strategic positions are being drawn up *for what could promise to be the* second Battle of Hastings. It was announced yesterday that the Battle Abbey Estate, which includes the site of William the Conqueror's victory, is to come under the auctioneer's hammer on June 24. Estate agents Strutt and Parker are very shy about the price that the estate will bring—if one can put a price on a site such as this—and were extremely reticent about the kind of buyer who would be considered suitable. At the reception yesterday they held to launch the sale there were mutterings about "a decent patriotic English gentleman" as the perfect buyer.

What would happen if, say, an oil-rich foreigner was the successful bidder at the auction remains to be seen. The Department of the Environment says that it is keeping an eye on the situation and will no doubt be informed by the vendors about any prospective purchaser. But it claimed poverty when it came to the question of buying the site for the nation.

Speculation about the possibility of an overseas buyer is rife. Front-runners at the moment would seem to be sentimental Americans who have some connection with England. No doubt the French, too, have a strong interest in *this particular site!* But it might be a bit much if they tried to do it all over again.

The property is being sold by the trustees of the Battle Abbey settled estates, acting on behalf of the beneficiaries of the estate. The beneficiaries will include Mrs. Evelyn Webster: her two sons and two grandsons are very sad about the decision to sell but have been forced into the decision because of, among other things, Capital Transfer Tax and the proposed Wealth Tax. The estate has been in the same family for 200 years apart from a brief spell in the 19th century when it was owned by the Duke of Cleveland.

There is little danger that the site would be changed or developed no matter who the buyer. Most of the buildings are designated of historical and architectural importance *(Grade I) by the Department* of the Environment, and present tenants, including Battle Abbey Girls' School, are protected under the terms of the sale.

A note for those with aristocratic ambitions. One bonus the buyer will find in his purchase is the lordship of the Manors of Battell, Barnhorne and Agmerhurst.

In the mode

While the Germans and French dominate European car production, the Italians unquestionably lead the field in model design. They style anything for anybody, from the Innocenti Mini produced by Bertone for British Leyland in Italy, to the Peugeot 604 and the Rolls-Royce Camargue, both done by the Pininfarina studio.

Pininfarina produced one of the more elegant designs at the Geneva Motor Show this year, the Lancia Gamma. This is a car for roughly the same market as the Peugeot, so the manufacturers clearly have great confidence in the commercial sensitivity of the designers.

Fellow stylists probably rate Giugiaro, formerly with Bertone, and the designer of two Volkswagen models, as the most inventive of the modern school. His predeliction for crisp lines has influenced most of the latest German models including those produced by Ford, which became interested enough in Italian styling a few years back to buy the Ghia studios. The Ghia *name, of course, is now used by* Ford to distinguish its up-market cars.

British car manufacturers have not been unduly keen to use outside stylists, and for some years the only noted domestic design name was Ogle, which was responsible for the Reliant Scimitar. Ogle is now being supplemented by Panther Westwind, a design and production outfit run by an engineer and former fashion designer, *Robert Jankel,* who once worked for Frank Sanderson of Bovis fame.

Jankel's first public efforts, such as the Deville, were pure fantasy designs, but powered by XJ6 and XJ12 engines. As he has moved into larger-scale production, however, he has produced the more practical Rio, a luxury model based on the Triumph Dolomite, and there is little doubt that he would like to push his talents further into production of the mass manufactured motor car.

Capitol punishment

Roman history as it really happened: Brutus returned home one day to discover that his larder had been raided and a number of his favourite delicacies had vanished. Immediately suspecting Caesar he rushed to the Capitol, just in time to see Cassius and his friends plunging their knives into the unsuspecting back. The dying Caesar turned, saw Brutus, and uttered the immortal words, "Et tu Brute." Brutus answered, "Liar. You've eaten at least four."

Observer

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POLITICS TO-DAY: PRIVACY AND THE PRESS

BY DAVID WATT

A cautious look at Mr. Wilson's offer

LAST WEEK the Prime Minister, speaking at the Liverpool Press Club, proposed a bargain between the Government and the Press. The Government would liberalise the laws of libel and contempt, and in return the newspapers and broadcasting authorities would adopt a code of practice guaranteeing the privacy of the individual citizen.

Now I am not in principle in favour of turning aside the hand of friendship, nor am I saying that all Mr. Harold Wilson's offers are dubious. Not every guest who accepted a dinner invitation from Caesar Borgia was carried away from the table with terminal indigestion. But I profoundly hope that everyone concerned with freedom of speech and information will examine the proposition with the most ferocious scepticism—as I do now.

Libel law

Let us first consider the positive side of the offer. What is the carrot that Mr. Wilson is dangling in the cause of, as he puts it, "increasing the right of the Press and the broadcasting authorities to comment on issues of public concern"? He is, first of all, offering the implementation of the Faulks Committee on Defamation—a somewhat obscure body that reported last year. A big deal—except that the Faulks Committee took the most limited view of its subject and recommended almost nothing to help the workings of a free Press in the face of what is at present by far the most restrictive libel law in the Western world.

It specifically rejected, on very tortuous grounds, the one single reform which would have done most to help a responsible Press—the widely-supported idea of giving newspapers qualified privilege to make statements on matters of public interest where they believe the statement of fact to be true and also exercise reasonable care. The only recommendation in Faulks of any great practical value to the Press is the proposal to remove the determination of the actual amount of libel damages from juries to the judge. This step would limit some of the fantastic awards made in recent years—but it is hardly a revolutionary concession which it is worth making vast counter-concessions to secure.

Mr. Wilson's other offer is at first sight more substantial. It is, in effect, that the Government will give its approval—and, more important, legislative time—to the recommendations of the Phillimore Committee on Contempt. Now this body, unlike Faulks, has some genuinely far-reaching suggestions to make; and its report, heavily influenced by the inability of *The Sunday Times* to comment on the Thalidomide case during the many months when it was waiting to go before the courts, will have (if it is implemented) a genuinely liberating effect on the freedom of the Press while still maintaining the minimum limitations on Press comment necessary to produce a fair trial.

This is a prize which it might be worth paying something for—if that were necessary. But is it necessary? For one thing, there is a formidable pressure of opinion from the legal profession to the effect that the present situation on contempt of court is unsatisfactory. Even the judges who are the main administrators, and to some extent the main beneficiaries, of the present rules, are apparently of this opinion. More interesting still, is the distinct possibility that the Government may be obliged to give effect to Phillimore shortly whether it likes it or not. *The Sunday Times* has taken its case to the European Commission on Human Rights at Strasbourg which has already decided that there is a prima facie case for saying that the House of Lords judgment in the case contravenes the "freedom of expression" article of the Human Rights Convention (of which Britain was one of the founding signatories). If the Strasbourg court finds for *The Sunday Times* there will be no question about maintaining the status quo.

To cut a long story short, of the two objects in the Prime Minister's shop window one appears, on close inspection, to be worm-eaten and the other to have been put on display shortly before it is taken away by the bailiff's men. But far more important than the quality of the goods on sale is the price being asked for them. At first glance, it must be admitted, this does not look terribly high. Mr. Wilson's formulation is "voluntary measures, agreed with the Press, to guarantee the individual citizen and his family an effective right of privacy."

Nothing on the face of it could be fairer than that. Everyone agrees that newspapers ought not to burst their way into people's private houses or display pictures of private grief and bereavement. Everyone, with very few exceptions, will condemn some recent excesses of the gossip column writers in hounding individuals and printing tasteless "exposures" of facts that are of no possible public interest. Why shouldn't the Press lay down a strict code of sanctions—as opposed to the gentler discipline of the Press Council? And if the papers refuse to do so, why shouldn't the Prime Minister—as he ever so delicately threatened in his speech — introduce legislation which would make invasion of privacy a civil wrong?

The answer, of course, depends entirely on how one defines "invasion of privacy." If all that were suggested was that some Press *methods* (for example harassment or "door-stepping") should be outlawed or that certain areas of the private life of private individuals should be declared out of bounds, except with their specific consent, there might not be many objections. Indeed for my part I would gladly accept these limitations on a voluntary basis—though I do not believe it would be necessary to invoke them very often. As the Younger Committee on Privacy (which Mr. Wilson quotes with approval when it suits him) remarked "so far as the mass media are concerned, despite the occurrence in recent years of a number of incidents which have led to complaints of intrusion into privacy, the volume of such complaints in relation to the scale of the operation turns out to be remarkably small. The evidence suggests that the standards of both the press and the broadcasting agencies have been rising and that the threat to privacy, far from growing, may even have been diminishing."

The trouble is that it turns out Mr. Wilson has nothing so modest in mind. What really concerns him is the problem of the "private lives, real or imaginary of public figures." He is good enough to add that public persons ought not to be protected in cases where "their public actions could endanger security in any way," or when protection might be instrumental in hushing up bribery and corruption at local or national level. But this is an exception drawn in a way which should never be accepted by a responsible press if only because it has been drawn with a narrow end in view. The Prime Minister is much preoccupied, as his minutes within the Government on this subject constantly (I am told) betray, with the efforts of the Press to turn up fresh evidence in the case of the famous slag heap and related matters. He is joined in his concern, to some extent, by other members of the Cabinet who have had unpleasant experiences with the Press in recent years. Mr. Edward Short was the subject of Press attentions over his relations with Mr. T. Dan Smith. Mr. Benn had trouble about the education of his children. Mr. Anthony Crosland had some nasty moments over the purchase of his house in the country. Mrs. Barbara Castle and Mrs. Shirley Williams have both found intimate details of their life splashed around the public prints. And it is to protect Ministers against these unwelcome intrusions that Mr. Wilson's formula has been chiefly devised.

Wide attack

It is extremely dangerous to mount a wide attack on a great principle—the freedom of the Press—on the basis of such considerations. Leaving aside the *method* with which the Press investigations in all these cases were conducted, and I have already remarked that this ought to be better controlled, the truth is that in all cases (with the exception of Mrs. Wiliams') the "private" or semi-private actions of Ministers were of legitimate public concern. In the cases of the slag heap and Mr. Dan Smith the Press was, and is, concerned about the possibility of corruption. In the case of Mr. Benn, Mr. Crosland and Mrs. Castle the charge was that these Ministers were not practising in their private lives the egalitarian principles that they were preaching in public. In principle both these categories of press investigation and comment ought not to be curbed and if the presentation has been tasteless or the results politically embarrassing that is not sufficient reason for calling the principle into question.

The realisation of what all this is about does not necessarily help the Press, of course. There is no doubt that we are more unpopular with politicians of all shades than at any time since the war; and if we do not fall in with the Government's wishes we may get short shrift from the legislators. A moment at which the Press may be about to accept Government alms in its begging bowl in order to keep going at all is also, one might suppose, not very propitious for refusing to say "snap" when the Prime Minister makes a gracious bid for a mutually advantageous arrangement.

Yet the public ought to comprehend what is at stake. It is not simply self-interest and arrogance that causes the media to resist further encroachments on their already very circumscribed freedom of action—although no doubt these traits play some part. The fact is that Press freedom becomes more and not less important with every day that passes. As government becomes more complex, more powerful, worse co-ordinated and more remote, it simply cannot be controlled without more comment, criticism and exposure.

But the issue goes even deeper than that. If we are to abandoned an elitist culture in favour of more and more direct democracy—and the legitimation of the State under modern conditions is moving us inexorably in that direction—the importance of an educated and informed public opinion becomes more and more crucial. The Press certainly does not fulfil its function of informing and educating our new masters as well as it should, but there is no one else to do it and it is crazy as well as wrong to attempt to limit its ability to do the job if it would. Privacy is a great good, but it is no accident that countries which have adopted a privacy law have also freedom of the Press as an entrenched clause in their constitutions.

Mr. Jeremy Thorpe (left) and Mr. Anthony Crosland (right): two politicians who feel their privacy has been invaded by the Press. The Prime Minister is the man in the middle with a solution on offer.

Letters to the Editor

Marketing and engineering

From Mr. P. Sharp.

Sir,—The Institution of Electrical Engineers has just published the results of a survey of its members' salaries as at January 1976. The sample was a wide one, and the two-thirds response good. In the context of recent correspondence in your columns, it is very revealing, and unlikely to encourage marketing men in other fields, usually less qualified, to venture from consumer goods to capital equipment when they are getting basic salaries at least 50 per cent. higher.

The relevant figures for sales and marketing show remuneration of fellows and members (Table 11) and associate members (Table 12). The upper quartile (independent of age) show respectively £6,600 and £5,250. As the general remuneration of mechanical engineers is slightly below that of electricals, it may be assumed that their marketing and sales men fare no better.

Ambitious marketing men turn to general management where the upper quartile for fellows and members jumps to £9,340, still well below most marketing remuneration for consumer goods.

Peter E. M. Sharp.
244, Dover House Road, S.W.15.

Courses for horses

From The Principal Lecturer, Dept. of Marketing Studies, Huddersfield Polytechnic.

Sir,—I fully concur with P. Quinn's letter (March 8) that marketing efforts are too heavily weighted in favour of consumer goods and not sufficiently towards engineering. While his remarks make sound sense, the situation is not perhaps as bleak as he suggests.

At Huddersfield Polytechnic we are doing something educationally to attempt to redresss this imbalance. Five years ago we pioneered the first degree course in this country which linked marketing to engineering, in the form of BA (Honours) Marketing (Engineering). The first output of graduates was last summer. The course seeks to provide personnel who will fill the gap between production and the market, by educating and training students in marketing principles and equipping them with a broad knowledge of engineering technology.

Perhaps our course may be the beginning of what may prove to be a recognition by industry and the academic sector that a real need exists for this type of person.

G. A. Lancaster.
The Polytechnic, Queensgate, Huddersfield.

Balance and borrowings

From Mr. J. Setford

Sir,—It was announced on March 3 that the U.K.'s "official reserves" had increased by $239m. during the previous month to $7.024bn. Taken at its face value this increase in our "Reserves" looks very healthy, except that it was achieved by public sector borrowing of a similar sum from overseas.

Out of interest I sought for information on the total outstanding borrowings from overseas, by the Government, nationalised industries and public institutions. The total, approximately $22bn., was made known in the House of Commons on March 4 in reply to a question from Mr. Stonehouse. Apparently this information is not published regularly.

What a nonsense it is to talk about "reserves" of $7bn. when we have long-term debts of $22bn. The use of the word "reserve" is quite inappropriate in present circumstances. In everyday parlance the $7bn. is nothing more than our current account balance.

Furthermore, although details of these reserves are published each month by the Central Statistics Office and widely quoted by Press, radio and TV, no such detail is given about our borrowings. If the man in the street is given only half the story he is to be forgiven for drawing the wrong conclusions.

I do not believe that there is a deliberate intention to deceive, but rather that the answer is "because it has always been done that way." Perhaps when we were in a net credit situation that was acceptable, but under present circumstances it is not.

John Setford
2, Oaken Coppice, Ashtead, Surrey.

Decline and fall

From Mr W. Jaspert.

Sir,—Last week it was said that it was a deliberate action by our rulers, including the Bank of England, to let the value of the £ on foreign currency markets drop, perhaps in order to gain foreign currency reserves to the tune of say £100m.-£150m. Then on Tuesday—or thereabouts—the same men of wisdom were said to have bought foreign currency to about the value of £100m.—£150m. to steady the world value of the £.

Meanwhile the world seems to have lost all faith in British monetary policies. In Milan on Tuesday nobody wanted more than £20 in travellers' cheques. Of course, the people behaving so irrationally were Italians. After all, only a few weeks ago the newspapers were full of comment on the menace to international trade caused by the continuing fall in the value of that unreliable currency, the Italian Lira. That drop in value, I seem to recall, was to have dire consequences for Italy's industry.

Now, however, our rulers have decided to break the value of the £, that apparently is all to the good and will make Britain strong, prosperous, competitive . . . and unloved by all her trading partners.

W. P. Jaspert.
93a, Belsize Lane, N.W.3.

Restrictive practices

From Mr. P. Heath-Saunders.

Sir,—In the very week during which we lost one of our basic freedoms—the freedom of the Press—you reported on the back page of your edition of March 4 that the Barnsley National Union of Journalists had in effect misused their powers by blacklegging journalists who were not members of their union, thus threatening to take away their livelihood. This was obviously what the debate in the House of Lords on March 3 was all about: the day which will go down as one of the saddest in English politics.

In the Hobart Paper No. 10 "Growthmanship," by Colin Clark (1961) he listed a summary, conclusions and recommendations: they were (among others) as follows: 4(b) A more vigorous effort to remove restrictive practices from every part of the British economy—resale price maintenance and all trade agreements and practices on restraint of trade. 4(c) A more courageous effort to deny trade unions the power to enforce closed shops, employ intimidation and restrict the output of working people.

Colin Clark was not a right-wing Tory reactionary, but a one-time Labour parliamentary candidate in 1929, 1931 and 1935; he was also a lecturer in statistics at the University of Cambridge from 1931 to 1937 and has a number of publications to his name which would be of great benefit to this country if they were read by members of the trade union executive and members of the present Labour Government. Of his various recommendations, the only ones which seem to have been followed are those applying to the ending of resale price maintenance and trade monopolies. With regard to trade unions, their power has increased progressively from day to day until they now virtually call the tune as to how this country is governed.

Before they have their freedom to print what they like completely withdrawn, I think the national Press have a duty to warn the citizens of this country—daily if necessary—that we are quickly moving towards a totalitarian state of the left.

P. H. Heath-Saunders.
Investment and Financial Analysts,
36, Brackley, Queens Road, Weybridge, Surrey.

Parliamentary despotism

From Mr. L. Clark.

Sir, — "There was no question of dictation," you report Mr. Michael Foot, obliquely, as saying (March 9), should he have to step in and make his own proposals in the event that "the various parts of the newspaper industry fail to agree among themselves." For he would have to "present his conclusions to the two houses of Parliament for their further concurrence."

This suggests that Parliament is independent of the Government of the day and its Ministers while through the party system the majority of the House of Commons (the only part which counts) is rigged in their support. This, Mr. Foot is better placed than most of us to know from experience.

As Lord Chief Justice Hewart wrote in 1929: "Despotism may be no less sinister, and perhaps even more mischievous, if it acts under Parliamentary forms than when it seeks to act in direct opposition to Parliament."

Laurence Clark.
6, Temple Gardens, Moor Park, Rickmansworth, Herts.

Futility of the closed shop

From Mr. M. Andrews.

Sir,—The letter from Mr. Farmer, general secretary of the Institute of Journalists, to Mr. Michael Foot which you report on the home news page (March 10), seems to pinpoint the growing futility of the closed shop mentality in the Press.

If journalists print public relations Press release information as a sort of favour to trade union colleagues, rather than because it contains something of interest to their readers, then professionalism has disappeared along with integrity. Is it anyway practical to discover whether every news item coming into a newspaper office was at some stage of its journey carried on "black legs"?

Surely this is the moment when the penny must drop, even at Mr. Foot's tangled feet.

Michael Andrews.
Littleworth Farm Cottage, Littleworth Lane, Esher, Surrey.

One solo chimney

From Mr. N. Jenkins.

Sir,—Mr. J. Thwing Harker (March 8) is asking why industry is showing so little interest in energy and in the substantial cash savings that can be clearly demonstrated to be perfectly practicable. The answer, probably deceptively so, is really very simple. There are two facets to it: one that in most industries that are energy dependent they are not energy intensive. Their energy costs are from 1 to 5 per cent. of selling cost per unit produced. To be asked to find, amortise and spend up to £50,000 or more to save from 5 to 25 per cent. of manufacturing costs just isn't on.

The other point of the answer lies in the prices plateau where all compete on equal footing whatever the price of raw materials including energy (fuel). Raise the plateau and it does not affect the competitive position. If there is a possibility of finding £50,000 spend it on an increased publicity campaign and restore the sales position in spite of increased prices to the consumer. Can anyone prove the contrary?

The solution, internationally and locally, is recognition of the basic premise in converting fuel into energy. One-third of the U.K.'s fuel goes into electricity. For every kilowatt turned into useful power two more go to "waste" as heat. Reverse the emphasis, it is as simple as that: distribute the heat, generate electricity as the by-product: change the merit order from electricity to heat. The Plowden Committee is in favour of replacing the Electricity Council. We need instead an Energy Council to determine priorities and ensure smooth, rational working of clauses 10/11 of the proposed Local Authority (Miscellaneous Provisions) Bill which has now had its second reading.

If industry were relieved of the need to set up its own boiler houses, and received heat and power as metered services, the savings would be automatic, no industrial investment duplicating that of the nation as a whole in its power stations' building programme would be necessary. For decades we have been paying double in order to throw away twice as much heat as we could put to good use.

We have in fact spent far more than double in misdirected national investment. For 25-30 years we authorised the building of one new town per year at a cost of £100m. each—on the basis of rehousing population. If, instead, we had aimed at promoting employment we could have had, as the nucleus of each town, a thermal power station, offering industries heat and power at the same cost as they would pay if they set up their own total energy power stations—as many have had to do—with no giant transmission lines, no acres of sub-stations and one solo chimney to control pollution, not promote it.

Norman Jenkins.
Whitehill, Ewshot, Farnham, Surrey.

To-day's Events

GENERAL

Balance of payments current account and overseas trade figures for February issued, incorporating import and export unit value and volume index numbers and terms of trade.

ASLEF executive seeks assurance from British Rail that its cuts in Eastern Region services will be suspended to allow talks at national level.

Mrs. Shirley Williams, Prices Secretary, addresses Leek Constituency Labour Party.

TUC women's conference ends, Southport.

Dr. Munyua Waiyaki, Kenyan Foreign Minister, and Mr. Mwi Kibaki, Finance Minister, expected to leave London after talks with British Government.

Sir Lindsay Ring, Lord Mayor of London, attends Cordwainers' Company dinner, Law Society, W.C.2.

PARLIAMENTARY BUSINESS

House of Commons: Private Members' Bills.

OFFICIAL STATISTICS

Building societies receipts and loans (February). Crude steel production (February).

COMPANY RESULTS

Clayton Dewandre Holdings (full year). Cope Allman International (half-year). Glenlivet Distillers (full year).

COMPANY MEETINGS

Grand Metropolitan, Empire Ballroom, W.C., 11.30. Hallam Sleigh and Cheston, Birmingham, 3.30. Town and Commercial Properties, Britannia Hotel, W., 12. Websters Publications, Winchester House, E.C., 12.

OPERA

La Scala Milan production of Simon Boccanegra, Royal Opera House, Covent Garden, W.C.2, 7.30 p.m.

English National Opera perform Mary Stuart, Coliseum Theatre, W.C.2, 7.30 p.m.

MUSIC

Hallé Orchestra, conductor James Loughran, with Annie Fischer (piano) play Ravel (Alborado del Gracioso), Mozart (piano concerto in D minor) and Berlioz (Symphonie Fantastique), Royal Festival Hall, S.E.1, 8 p.m.

English Chamber Orchestra, conductor Charles Mackerras, with Jaime Laredo (violin) perform Dvorak (Czech suite in D), Barber (violin concerto), Mozart (ballet music from Ideomeneo) and works by Stravinsky and Saint-Saëns, Queen Elizabeth Hall, S.E.1, 7.45 p.m.

Isabel Beyer and Harvey Dagul play Schubert piano duets, Purcell Room, S.E.1, 7.30 p.m.

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COMPANY NEWS + COMMENT

Harris and Sheldon outstrips forecast

INSTEAD OF the expected setback, Harris and Sheldon Group has increased its 1975 profit by nearly £200,000 to £3.2m.

For the first half the group was £257,000 adrift at £1.01m., and the directors then put the year's total in the order of £2.6m.

They also forecast a total dividend of 2.419p net per 25p share, and this they are meeting by paying a final of 1.269p. Earnings are stated at 5.9p compared with 5.3p in 1974 when the dividend was 2.267p.

	1975 £	1974 £
Turnover	[illegible]	[illegible]
Profit before tax	[illegible]	[illegible]
Taxation	[illegible]	[illegible]
Net profit	1,567,195	1,411,712
Extra-ord. debits	17,262	[illegible]
Dividend	640,793	[illegible]

The group makes and sells luggage and travel goods, motor accessories, kitchen and bathroom units, garden supplies, sporting guns, passenger and goods lifts, office furniture and equipment; and manufactures components for general engineering and plastic injection moulding companies.

● comment

Harris and Sheldon's profits are nearly 6½ per cent. up on last year and some 23 per cent. up on its own forecast at the half-way stage. Although the display equipment and store fixtures business usually accounts for a seasonal upturn in the second half, the profits increase here of 116 per cent. over the first half (against a comparable 37 per cent. rise in 1974) was much more to do with good performance in the final quarter by the luggage and travel goods company, Antler. This company clearly benefited from the problems of the rival British Luggage Group. Non-trading profit of £500,000 against a previous £160,000 was also helpful, however, and the company is in addition seeing the benefits of a rationalisation programme started in 1974 which involved 600 redundancies. Meanwhile, the overdraft is down £1.25m. to around £1m. and the cash position remains strong. The shares up 3 to 43p yesterday yield 8.9 per cent. covered 2.4 times. The p/e is 7.1.

HIGHLIGHTS

Amalgamated Investment and Property has been put into compulsory liquidation in the light of legal and financial advice. Royal Dutch/Shell has come through a difficult year for the oil industry reasonably well and there are now signs of a recovery in demand. Lex also covers Ultramar which is making a £14.7m. rights issue of convertible stock while on the trading front profits are more or less in line with expectations. Harris and Sheldon's profits are some 20 per cent. ahead of internal estimates reflecting a good final quarter in the luggage and travel goods company. The mooted bid for Robert Stigwood by Polygram has materialised while annual profits are 16 per cent. higher.

Galliford Brindley growth

FIRST HALF (to December 31, 1975) turnover of Galliford Brindley expanded from £8.78m. to £16.01m., and pre-tax profit advanced from £576,000 to £949,000. Profit for the year to June 30, 1975, was £1,478,208.

The directors report that the current half-year is progressing well, and an increased profit for the full year is anticipated, but not at the rate that the second-half improvement showed last year. The strong liquid position at June 30 last, has further improved.

Stated earnings per 5p share for the six months went up from 2.59p to 4.26p, and the interim dividend is raised from 0.7p to 0.75p net per share, and subject to legislation an increased final will be recommended. Last year's total was 1.7352p.

	Six months 1975 £000	1974 £000	Year 1974-75 £000
Turnover	16,010	8,784	21,795
Trading profit	1,238	785	1,916
Depreciation	289	209	478
Profit before tax	949	576	1,478
Taxation	493	299	769
Net profit	456	277	709

The group is engaged in building and development, civil engineering, heating and ventilating, and plant hire.

● comment

Galliford Brindley's first half profits—65 per cent. higher on an 82 per cent. rise in sales—suggest that the group will maintain its recent impressive growth record in the current year. The first time inclusion of Kottler and Heron probably accounted for around £2m. of turnover and almost £120,000 of profit but the main growth has apparently come from the civil engineering side and this seems to say a good deal for the group's negotiating skill when arranging contracts. The group concentrates mainly on short term contracts (about six or nine months) and aims at early completion. The plant hire and building interests both did better than was expected in the first half with the contributions of each holding their own against adverse conditions. The second six months will compare with a very buoyant period last time but the group should still manage some improvement in profitability for a full year total of around £1.9m. pre-tax, and the shares which at 45p yield a prospective 6½ per cent., covered 4½ times, should derive extra support from the group's strong financial position—cash balances now stand in excess of £2m. against shareholders funds of £2.6m.

Statement Page 27

Sharna Ware expansion

ON HIGHER turnover of £8.42m. against £6.27m. pre-tax profits of Sharna Ware expanded from £184,810 to £320,218 in 1975. Stated earnings per 20p share went up from 7.64p to 13.21p.

A single net final dividend of 2.6p is recommended compared with 1.3p in 1974—there was no interim in either year. A one-for-three scrip issue is also proposed.

Last October, the directors said reduced first half profits—down from £45,890 to £30,157—had been caused by rising costs which could only be partially absorbed. However, increasing sales were encouraging, they said, and they expected the full year's trading would enable a final dividend to be recommended.

Tax charge for the year is £124,202 (£71,415). An amount of £137,450 (£90,452) is retained.

Liquidity at the year end was better than ever before. Bank borrowing was completely eliminated and a good credit balance built up.

The chairman, Mr. S. Orchant says the first two months of 1976 show much higher sales compared with the previous period last year and he looks forward to record profits for 1976. He is confident that the group has an excellent future and is well prepared to benefit substantially when the present trade recession is eased.

The Manchester-based group trades as makers of plastic ware, and has interests in cash and carry wholesaling.

Helene of London

Helene of London, leisurewear manufacturers and retailers, has announced that it is fully covered for any losses it may incur as a result of the decision by one of its trading partners, HGM (Coat Manufacturers), to go into voluntary liquidation.

Mark Russell, a subsidiary of Helene, is claiming that it is owed some £250,000 by HGM which has asked Leonard Curtis, chartered accountants to begin winding-up operations.

Mark Russell will be making full provision for the £250,000 and remains solvent. It will continue to receive support from Helene and the parent's liquidity is "not significantly affected."

Helene, which had a turnover in the year 1974 of £8.2m. and pre-tax profits of £579,809, claims that preliminary figures for 1975 indicate a profit, before tax and before the provision for any loss in HGM, of about £700,000.

The company, which specialises in the fashion end of the textile trade, has grown rapidly in recent years, and has made a number of acquisitions. Mark Russell was acquired in a complicated deal in 1973 and sells mainly to mail order and to high fashion outlets. HGM, then an associate of Mark Russell, was not acquired in this deal but remained as a major supplier to Mark Russell.

HGM has remained a private company but its five directors are also directors of Mark Russell.

Wilkinson Warburton ahead

WHOLESALE TEXTILE distributors, Wilkinson Warburton, reports an increase in profit for 1975, from £500,059 to £537,007, despite difficult trading conditions.

And these conditions are likely to persist "well into the current year," the directors report. However, the group is in a position to take full advantage of the forecast trade recovery whenever this occurs.

Earnings per 25p share for 1975 are given as 9.66p against 9.45p. The final dividend is 2.64p net for a total of 4.24p compared with 3.90p.

	1975 £	1974 £
Sales	12,259,617	11,987,874
Trading profit	693,081	799,635
Interest payable	86,607	194,257
Depreciation	74,469	105,322
Profit before tax	537,007	500,059
Taxation	295,348	263,000
Net profit	241,459	237,059
Preference div.	7,485	7,485
Ordinary div.	102,714	94,478
Forward	1,490,782	1,350,322

Miln Marsters sees maximum

Turnover of seedsman, Miln Marsters Group, amounted to £1,344,044 for the six months to November 30, 1975, and a loss of £242,170 was incurred.

Because of the seasonal nature of the trade, a loss position is customary at the end of the first half year, but on this occasion the loss is higher than usual as certain sales normally made towards the end of the period were not effected until later in the year, says the chairman, Mr. R. G. Whitehead. A comparison with the half-year's results for 1974 is not therefore relevant. Turnover for that period was £1,707,000, and the loss was £87,000.

The chairman says that, even in the present difficult climate, the directors anticipate a "satisfactory trading year" and intend to pay the maximum dividend permitted for the year.

A same again interim of 2.1p net per 50p share is declared. Last year's total was 6.30636p from profits of £349,355, before tax.

Bemrose up 26% at £2.07m.

RECORD TURNOVER, up 22 per cent. to £27.22m., with an expansion of 26 per cent. to £2.07m. in pre-tax profit, plus deeper penetration of overseas markets are announced by the Bemrose Corporation, printing, packaging and publishing group, for the year to December 27, 1975. At halfway profit was £868,000, against £845,000.

An increased final dividend of 1.443p per 25p share makes a maximum permitted total of 2.4505p (2.2981p). Stated earnings were 10.41p (7.63p).

Group exports at £4.96m. (£3.63m.) represent 18 per cent. of total turnover.

Net cash-flow in 1975 amounted to £1.79m. after capital expenditure of £1.1m. A surplus of £1.65m. from revaluation of land and buildings, after providing for the deferred tax liability, has been credited to reserves.

In contrast to the previous year record, the packaging division was adversely affected by the economic recession which led to retail destocking and reduced customer demand, the directors state. However, flexible packaging performed "relatively well" in spite of the competitive nature of the market, and the current level of orders is "good."

The printing division produced "extremely good" results and the heat transfer print operation is now proving a valuable diversification with sales climbing to the £4.5m. mark, of which some two-thirds goes for export.

The publishing division made steady progress with a 25 per cent. increase in turnover.

● comment

Bemrose's £4m. investment in transfer printing and a new security factory at Derby has started to pay o. particularly in the former operation, where a high export content has helped to push exports up by 37 per cent. to 18 per cent. of sales. After a static first half, trading profits have risen by 31 per cent. in the second six months, on the back of improved margins, and the extra bonus of a one-third drop in interest charges, has powered pre-tax profits over 50 per cent. higher, for a gain of over a quarter on the year. Packaging, about one-half of sales, had a predictably tough time in cartons and bags (mainly for cosmetics and pharmaceuticals) but flexible food packaging has not fared too badly. A better profits flow from printing and reduced working capital needs in packaging have cut net borrowings in half to around £1½m. or so, which, taking into account the asset revaluation of 20p per share, is equivalent to about a fifth of shareholders' funds. The shares rose 4p to 60p last night (a rise of 60 per cent. in six months) and are well supported by good printing prospects, a 4½ times covered yield of 6½ per cent. and a p/e of only 6.

DIVIDENDS ANNOUNCED

	Current payment	Date of payment	Corresponding div.	Total for year	Total last year
Amal. Metal	3.75	May 25	8.06	12.87	12.06
Bemrose	1.44	—	1.35	2.45	2.3
Clairmace ......int.	1.5	Mar. 30	—	—	6.0
Coronation	2(a)	May 25	—	—	34
Dolan Packaging ......int.	1.1	April 28	1	—	1.93
Falcon Mines ......int.	22.5	May 8	30	—	6.5
Free State Geduld ......int.	120(a)	May 14	170	—	330
Galliford Brindley ......int.	0.75	April 2	0.7	—	1.74
Hampson Ind. ......int.	0.25	April 2	0.25*	—	0.83*
Harmony Gold	30(a)	May 11	42	65	77
Harris & Sheldon	1.27*	May 14	1.19	2.42	2.27
Johnson Cleaners	1.29	April 1	1.21	2.32	2.18
Macallan-Glenlivet ......int.	1.28	April 13	1.38	—	3.74
Miln Marsters ......int.	2.1	May 3	2.1	—	6.31
Needlers	1.1	—	Nil	1.1	Nil
Padang Rubber	0.75	May 4	0.5	0.75	0.5
President Brand ......int.	105(a)	May 14	125	—	250
President Steyn ......int.	40(a)	May 14	60	—	125
Thomas Robinson	3.59	May 12	3.29	4.59	4.29
Royal Dutch	Fls.5.6	—	4.5	8.75	8.0
Sharna Ware	2.6	—	1.3	2.6	1.3
W. N. Sharpe	1.55	April 20	1.45	2.72	2.55
Shell Transport	6.78	May 17	6.78	12.78	11.98
Tweefontein ......int.	5(a)	May 25	50	—	70
Welkom Gold ......int.	12.5(a)	May 14	30	—	55
Western Holdings ......int.	185(a)	May 14	225	—	475
Wilkinson Warburton	2.64	May 10	2.4	4.24	3.90
Yule Catto	0.7	—	0.66	1.15	1.06

Dividends shown pence per share net except where otherwise stated.
* Equivalent after allowing for scrip issue. † On capital increased by rights and/or acquisition issues. (a) South African cents. (b) Rhodesian cents.

£5.7m. by Amal. Metal

ON TURNOVER of £751m. against £753m., profits before tax of Amalgamated Metal Corporation contracted sharply from a restated £12.09m. to £5.7m. in 1975. For the first nine months of the year, profits were down from £10.39m. to £4.02m.

Stated earnings per £1 share before extraordinary items for the year are 37.2p against 89.7p and 58.9p (75.4p) after such items. A net final dividend of 8.87p makes a maximum permitted total of 12.87p against 12.06p.

The directors state that the lower level of trading profit compared with the exceptional result achieved in 1974 is in line with expectations.

The 1975 accounts have been prepared as if the scheme of arrangement with Consolidated Tin Smelters had become effective at the beginning of the year and the comparative figures have similarly been restated.

Sir John Saunders and Mr. M. F. Garner have been appointed to the Board.

	1975 £000	*1974 £000
Turnover	751,000	753,000
Trading profit	4,580	11,147
Investment income	1,120	950
Profit before tax	5,700	12,097
Taxation	2,601	5,485
Net profit	3,099	6,612
Minorities	632	868
Extraordinary credits	1,368	†898
Net balance	3,815	4,846
Preference dividends	110	107
Ordinary dividends	809	720
To reserve	2,896	4,019

* Restated. † Debit.

W. Sharpe upsurge to £1.86m.

TURNOVER OF fine art publishers, W. N. Sharpe, increased from £5.46m. to £6.19m. in 1975, and pre-tax profit expanded from £1,514,919 to £1,861,877, after a first-half downturn from £830,504 to £793,805.

Stated earnings per 25p share for the year advanced from 10.5p to 13.9p, and the dividend is stepped up from 2.5515p to 2.72285p net with a final of 1.54835p.

Net profit came out at £978,641 compared with £739,999, after tax of £883,236 (£774,920).

Current year sales to date are lying below the level of the corresponding period a year earlier, the directors report.

● comment

After striking a cautious note at the interim stage when pre-tax profits were 4½ per cent. lower W. N. Sharpe has come up with a 57 per cent. jump in second half profits leaving the year ahead by nearly a quarter. These results are better than expected, and initially the shares were marked higher. But the unsure attitude towards this year—sales are lower so far for 1976—restrained the reaction and they closed unchanged on the day at 51p. At this level Sharpe's ratios look more attractive than say Fine Art or Wilson. It has the highest yield and cover of 8½ per cent. and just over five times respectively, while the p/e is the lowest at 3.6.

Maple Macowards

Maple Macowards, the retailing and property group in which Jessel Securities has a stake of one-third, is again to pass the Preference dividend. The dividend on the 8 per cent. cumulative Preference would have normally been paid on May 1, 1976.

Holders of the 9½ per cent. Unsecured Loan Stock, 1998-2002, recently approved proposals for a change in the borrowing powers and a modification in the terms of the stock. This move was aimed at allowing the group to pursue its plans to reorganise and rationalise to achieve "an ongoing and viable trading operation."

WGI CAPITAL

WGI is proposing to increase its authorised capital to £1,655,000 by the creation of 2m. Ordinary 25p shares. This will cover the maximum number of shares to be issued under the share option scheme and leave a reserve of 1,760,787 available for a future issue, though none is under consideration at present.

Johnson Cleaners peak £1.43m.

FROM A record turnover of £15.19m., net of VAT, compared with £12.85m., pre-tax profit of Johnson Group Cleaners expanded from £1.11m. to a peak £1.43m. for the year 1975, after £0.7m., against £0.63m., for the first half.

Stated earnings per 25p share for the year increased from 3.7p to 5.01p, and the dividend is lifted from 2.1764p to 2.3226p net with a final of 1.2904p.

	1975 £	1974 £
Group turnover	15,190,000	12,846,000
Trdng. activities profit	1,089,959	885,382
Rentals	412,581	371,826
Sundry income	35,885	29,361
Interest charges	111,042	86,889
Pre-tax profit	1,428,257	1,109,289
Taxation	754,591	604,001
Net profit	673,666	505,828
Dividends	325,304	300,409
Surplus sale props.	183,397	84,121
Deb. red. sinking fund	70,416	58,413
Reorganisation costs	—	161,397

Mr. John Crockatt, chairman, says he considers the results to be "most satisfactory" bearing in mind the extraordinary economic climate of 1975, and the fact that price increases were considerably less than inflation, while wage increases equalled or exceeded inflation.

The towel hire division is making an "excellent" contribution to profitability while the Apparelmaster workwear rental service is in the development stage and is expanding rapidly.

Group liquidity showed a "marked improvement" as a result of detailed control of expenditure.

Results so far this year are showing a decline on the same period of 1975, primarily due to the inflationary squeeze on incomes which is affecting discretionary spending. It is, therefore, difficult to make a firm forecast for 1976.

But overall, the group is in "excellent shape to take advantage of any economic upturn that may take place during the course of the year," the chairman declares.

● comment

Contrary to expectations, Johnson Group Cleaners has achieved record pre-tax profit with a 28.5 per cent. increase on a turnover growth of 18 per cent. The impetus came in the second half where profits were up 53.5 per cent., due to a combination of tight cost control, a 7 per cent. price increase and a 47.5 per cent. jump in rental income. The last of which is due to the letting of most of the 200 shops closed in 1974 and the lifting of commercial rent restriction. A further 39 shops were closed last year and this should boost rental income in the current year which has started off on a very depressed note for the dry cleaning side in the face of the continued squeeze on income. A bull point is the company's strong liquidity position—the end-1974 overdraft of £670,000 has been turned into a "significant" cash holding. The yield of 10.2 per cent., covered over twice, at 36½p, is 2.5 points over Sketchley's.

Thomas Robinson advance

FOR 1975, engineers and machine makers, Thomas Robinson and Son reports turnover up from £3.68m. to £5.66m. and pre-tax profits of £660,114 compared with £485,428.

Profits in the first-half had fallen from £193,724 to £129,076 but the directors expected the second half to show an improvement on the first.

A net final dividend of 3.5876p per share makes a maximum permitted total of 4.5876p against 4.2989p previously. A two-for-three scrip issue is also proposed.

	Year 1975 £	1974 £
Turnover	5,659,998	3,679,410
Trading profit	532,673	398,692
Interest	47,698	85,367
Associate share	98,748	36,179
Profit before tax	660,114	485,428
Tax	254,561	260,778
Net profit	395,553	224,650
Retained subs.	19,234	5,711
Retained assoc.	34,721	13,923
Available parent	361,548	205,126
Dividends	110,103	103,174
Forward	1,418,898	1,287,421

Total value of exports from the U.K. was £1,258,871 (£1,219,158), or approximately 30 per cent. (42 per cent.) of the group turnover.

RECENT ISSUES

EQUITIES

Issue Price p***	Amount Paid Up	Latest Renunc. Date	1975-6 High	Low	Stock	Closing Price p***	+ or −	Div. Net Amount	Times covered	Gross Yield	P/E Ratio
U.S.$	F.P.	—	$12¾	$12	Brazil Fund S.A.	$12	......	—	—	—	—
$10.500	F.P.	—	$10.600	$10.500	Brasilvest S.A.	$10.600	......	—	—	—	—
87	F.P.	—	85	82½	Electra Inv. Tst.	84½	+1½	b3.6	1.1	6.7	21.4
—	F.P.	—	£43	£29¾	Hughes Tool $1	£33⅝	+2⅜	Q40c	—	0.5	—
10	F.P.	—	205	158	LASMO 'OPS' Units 10p	170	+2	—	—	—	—
10	F.P.	—	205	158	SCOT 'OPS' Units 10p	170	+2	—	—	—	—
—	F.P.	—	£20¾	£20½	Tenneco Inc. $5	£21⅛	−⅛	Q$1.76	—	4.0	—

FIXED INTEREST STOCKS

Issue Price	Amount Paid up	Latest Renunc. Date	1975-6 High	Low	Stock	Closing Price £	+ or −
£100	F.P.	—	100¼	99⅝	Agricultural Mort. 10⅝% Bds. 1977	100¼	......
£100	F.P.	—	100	100	Do. Do. 10⅝% Bonds 1977	100	......
‡‡£100	F.P.	7/4	104	96	Arbuthnot Lath. 8% Conv. Uns. 1986	103	......
‡‡£100	F.P.	19/3	137	126	Bowring (C.T.) 10% Conv. Uns. Loan 1987	136	+½
$100	—	—	99½	99	British Gas Corporation Ltd. Notes 1981	$99½	......
£98	F.P.	23/1	104½	99¼	Essex Water 9% Red. Pref. 1981	101	......
£100	Nil	—	1	¾	External Inv. Trust Convertible Ln. 1992-7	¾pm	......
£96.5	£10	—	9⅛	6¾	G.L.C. 12¼% 1983	9¼	......
‡H.K. $100	50	26/6	12½	82½	Jardine Math. 7½% Conv. Uns. 1990	10½	......
£100	£50	—	32½	27	LASMO 14% Uns. Loan 81-85	27	−1
$100	F.P.	—	99½	99½	Midland Bk. FloatCap. Notes 1985	$99½	......
**£99	Nil	—	100	99¼	Mid-Sussex Water 8% Red Prf. 1981	100	......
$100	F.P.	—	101	99¾	Norway 8⅞% $ Notes 1981	101	......
£100	—	16/2	111	92	Pentos 15% Conv. Uns. 1985	110	+2
$100	F.P.	—	99½	99½	Royal Tst. Mort. Corp. 9¼ Deb. 1981	$99½	......
£100	£50	—	32½	27	SCOT 14% Uns. Loan 81-85	27	−1
‡£100	Nil	—	24	14	Scot. Met. 9% Conv. '92/6	15pm	+1
$100	F.P.	—	99½	99½	Seagram 9% Notes 1983	$99½	......
‡50p	F.P.	17/11	50¼	45	Single 10% Cum. Conv. Pref	47½	......
**£99	£10	—	10⅞	10¾	Sutton Dist. Wtr. 8% Prf. 1981	10¾	......
‡‡£100	F.P.	20/2	131½	110	Tenneco 10% Sterling $ Conv. 91-95	131½	+½

"RIGHTS" OFFERS

Issue Price p***	Amount Paid up	Latest Renunc. Dates		1975-6 High	Low	Stock	Closing Price p***	+ or −
60	F.P.	12/3	—	75	71	Allen(E) Balfour	75	+2
54	F.P.	4/2	26/3	76	66½	Armitage Shanks	72	......
50	F.P.	13/2	12/3	69	60½	Baker Perkins	69	......
25	F.P.	11/12	5/3	148	94	Berisford (S & W)	140	......
120	F.P.	2/5	7/5	151	136½	Blackwood Hodge	151	+5
28	Nil	15/3	12/4	7	4½	Braham Millar	4½pm	−1½
56	Nil	6/2	5/3	93	84	Brentnall Beard	90	......
25	F.P.	17/2	24/3	28	24	Brown Boveri Kent	24	−½
75	F.P.	27/2	26/3	103	93	Carpet Intnl	103	+2
29	Nil	18/3	15/4	6½	4	Concentric	6½pm	......
100	Nil	—	—	29½	23	Coral (J.)	28½	−½
21	Nil	—	—	7	6½	Crown House	6pm	+½
30	Nil	—	—	12	10	Dennis (J.H.)	10pm	−1
31	F.P.	12/3	9/4	41	40	H.A.T. Group	41	......
55	Nil	—	—	36	33	Hoffnung(S.)	34pm	+1
44	Nil	—	—	14	13½	Imperial Metal Inds	13½	......
15	F.P.	4/3	9/4	22¾	22	Jackson (J. & H. B.)	22	−¼
57	F.P.	9/3	6/4	69	62	LCP Holdings	69	......
60	F.P.	26/1	12/3	71	60½	Lake & Elliot	71½	......
13	F.P.	13/2	16/3	21	15	Liner Concrete Machinery	21	+2
57	Nil	3/3	20/7	70	64	Lloyd (F.H.)	69	......
210	Nil	16/3	23/4	36	11	Lloyds Bank	15pm	......
54	F.P.	12/3	2/4	76½	67½	Meyer (Mont. L.)	71	+½
19	Nil	15/3	26/4	4	3¾	Mitchell Somers	4pm	......
$1.50	F.P.	30/1	13/2	302	260	Nat. Bank of Aust.	285	+25
110	F.P.	23/2	19/3	146	129	Ocean Transport	136½	+5
355	Nil	—	—	42	16	Standard Chartered	27pm	......
64	F.P.	24/2	25/5	99½	82½	Stenhouse Hldgs	99½	+5½
80	F.P.	25/2	24/3	92	86	Strong & Fisher	86	−2
42	Nil	12/3	2/4	10	3½	Tecalemit	7½pm	+3
10	F.P.	5/2	2/4	14	12¼	Tomkins (F.H.)	12½	......
42	Nil	17/3	14/4	22	16	Triplex Foundries	16pm	−3
130	Nil	15/3	11/6	19	10	Turner & Newall	16pm	+2
46	Nil	18/3	12/5	7½	2½	Ward (T. W.)	3½pm	+½
8	Nil	—	—	6	4½	Wheway Watson	4½pm	......
103	F.P.	27/2	9/4	136	125	Wolseley-Hughes	129	−1
70c	Nil	—	—	42	34	Woodside-Burmah	42pm	+3

Renunciation date usually last day for dealing free of stamp duty. a Placing price to public. b Figures based on prospectus estimate. d Dividend rate paid or payable on part capital, cover based on dividend on full capital. p*** Pence unless otherwise indicated. a Forecast dividend: cover based on previous year's earnings. M Figures based on prospectus or other official estimate for 1976. T Figures assumed. ‡ Cover allows for conversion of shares not now ranking for dividends or ranking only for restricted dividends. ** Issued by tender. ‡ Offered to holders of Ordinary shares as a "rights." ♥ 290 S.Afr. cents. ‡ Rights by way of capitalisation. †† Tender allotment price. ♦ Reintroduced. ‡‡ Issued in connection with reorganisation, merger or take-over. ‡ Introduction. ♠ Issued to former Preference holders. ‡ Allotment letters (or fully-paid). † Provisional or partly-paid allotment letters. $ With warrants.

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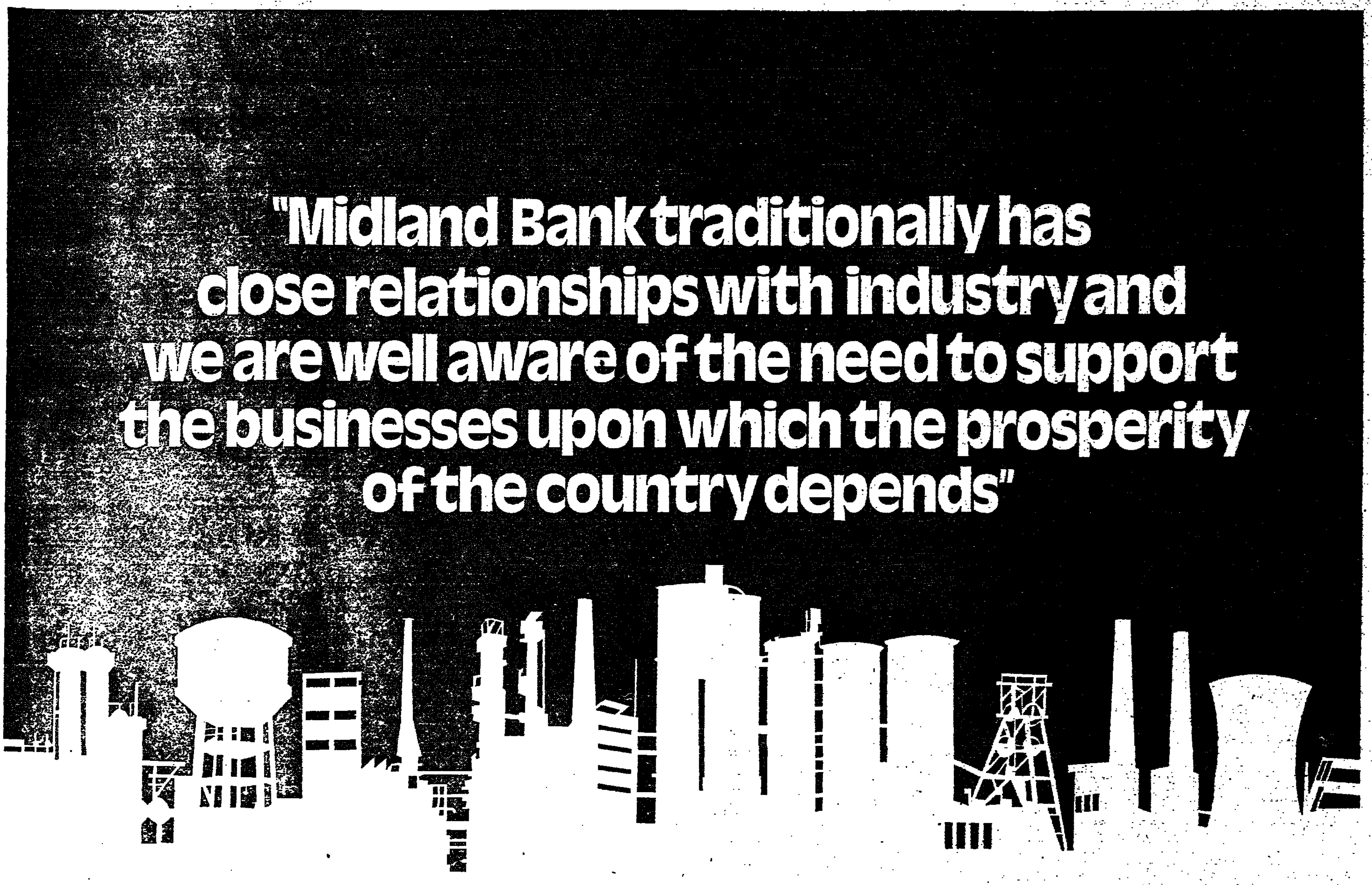

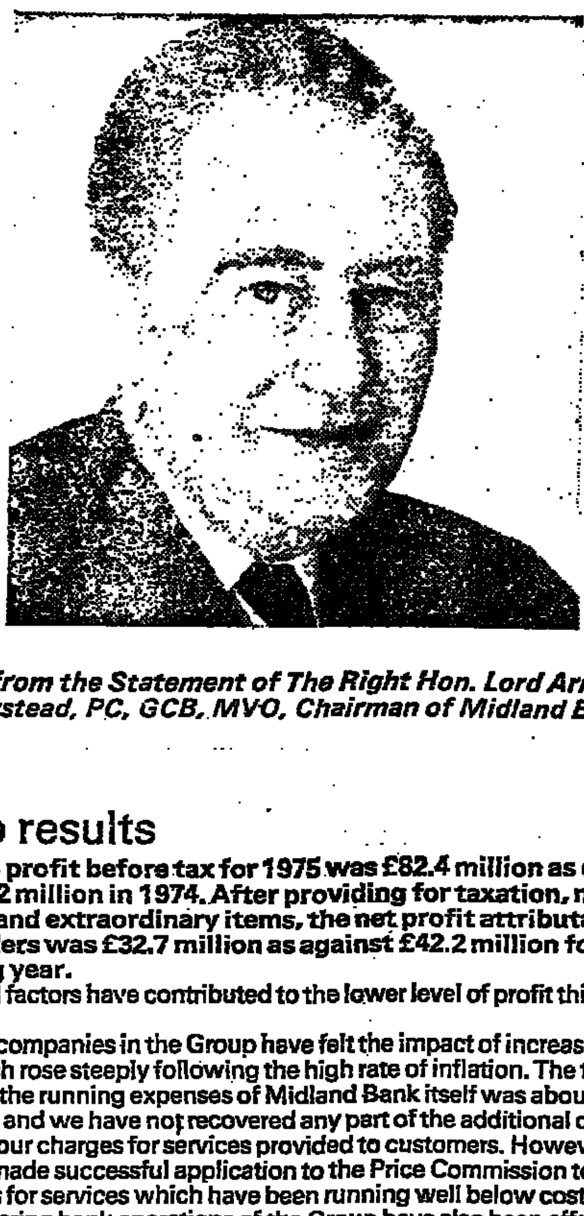

Extracts from the Statement of The Right Hon. Lord Armstrong of Sanderstead, PC, GCB, MVO, Chairman of Midland Bank Limited.

Group results

Group profit before tax for 1975 was £82.4 million as compared with £96.2 million in 1974. After providing for taxation, minority interests and extraordinary items, the net profit attributable to shareholders was £32.7 million as against £42.2 million for the preceding year.

Several factors have contributed to the lower level of profit this year.

All the companies in the Group have felt the impact of increasing costs, which rose steeply following the high rate of inflation. The total increase in the running expenses of Midland Bank itself was about 30 per cent and we have not recovered any part of the additional costs by increasing our charges for services provided to customers. However, we have now made successful application to the Price Commission to increase certain fees for services which have been running well below cost.

The clearing bank operations of the Group have also been affected by the lower average level of interest rates and the slack demand for bank lending.

Further substantial provisions have been made against possible bad debts.

The support operation for secondary banks continued during 1975. The provisions mentioned above include those raised in this connection.

The directors have declared a second interim dividend of 7.278p per share making a total for the year of 11.478p per share, the maximum permitted.

Capital

Shareholders' funds, which amounted to £474 million at the end of 1974, increased to £563 million at 31 December 1975.

The need for an adequate capital base has been emphasised in the past when the volume of the Bank's business was growing at a high rate. In those circumstances a large part of the resulting profit had to be retained in order that a proper relationship be kept between the capital base of the Bank and the volume of business it supported.

The authorised capital of the Bank was increased in March to £150 million and immediately following this a successful rights issue of 28,627,741 new shares was made at 185p per share.

In November the opportunity was taken to raise further loan capital by the issue of Floating Rate Capital Notes maturing in 1982 to the value of US $50 million. The issue was well received and a second issue of US $50 million of Notes, also with a seven-year life, was made in February 1976. This met with an even more encouraging response from major financial centres all over the world.

The purchase of just over 7 million shares increased our stake in Standard Chartered Bank from about 4 per cent to almost 16 per cent. The investment strengthens and complements our international banking connections and I am pleased to record that the Board of Standard Chartered Bank welcome the closer association as much as we do.

The economic background

The retrenchment and readjustments which were the dominant characteristics of 1975 were felt by the banks in the United Kingdom no less sharply than by the rest of the economy which they serve. Recession, inflation, and their consequences all combined to produce an environment which was not conducive to maintaining the growth of the business of the Midland Bank Group at the level experienced over recent years.

The level of economic activity declined sharply with the fall in private industrial investment which reflected a general tendency to conserve cash resources in the light of doubts about the future.

As a result, there was a sharp reduction in the growth of bank lending to individuals, companies and financial institutions. Indeed, lending in sterling to the private sector actually fell, for the first time in about twenty years.

Branch operations

The domestic banking operations conducted through the branches of the Bank contribute the major share of Group profit and stem from the use of the payments transmission services. This has again shown a dramatic increase. We estimate that in all some £16,000 million worth of notes and coin passed across Midland Bank branch counters during the course of 1975, an increase of more than 15 per cent over 1974. This is an expensive service but we have hitherto been precluded by the Price Code from increasing our charges, which at present in no way cover the costs involved.

It is a reflection of the valuable service provided by the branch network, and the confidence of the public in the clearing banks generally, that the balances lodged on current accounts continued to grow during the year at a satisfactory rate.

By increasing our lending to the public sector and by developing our business in currencies other than sterling, the total advances of the Bank expanded by 8.7 per cent to £4,690 million at the year end. Advances by the Midland Group totalled £6,041 million at 31 December 1975 as compared with £5,579 million at the end of 1974.

Industrial finance

Midland Bank traditionally has close relationships with industry and we are well aware of the need to support the businesses upon which the prosperity of the country depends.

The overdraft for working capital purposes is well known, but we are also particularly conscious that, if the economy is to move out of the present recession, loan finance for industrial investment should be readily available. We have developed over recent years considerable expertise in the provision of medium term loans for this purpose and we are confident that we have the capacity to meet the needs of our industrial customers, subject to any limitations which may be imposed upon us by the authorities. Indeed, even during 1975 our commitments to medium term loans for all borrowers have increased considerably; and the lending under sterling facilities made available, in one form or another, over a term of years now accounts for about one-third of the Bank's total advances.

Another example of the importance we attach to our industrial and commercial customers has been the establishment of a Corporate Finance Division within the Bank to ensure that the wide variety of facilities available within the Group is properly deployed to meet the increasingly complex financial requirements of the business community.

Broad international base

An important feature of our international business in 1975 was the continued development of International Division. The Division makes an increasingly significant contribution to the profits of the Group, as well as providing a broad international base to our earnings. The further development of that base, both in its quality and geographical spread, is an important part of our thinking about the future of the Group.

Many of the other companies in the Group have a significant proportion of international business – in particular, Samuel Montagu, Bland Payne and Thomas Cook – and we seek to ensure the fullest possible co-operation between all parts of the Group in the international, as well as the national, field.

The Group now has a majority interest in London American Finance Corporation Limited (LAFCO), which has built up over recent years great experience in the whole spectrum of specialised export financing.

Relationships with our fellow-members of European Banks International Company (EBIC) continue to be developed, particularly in respect of the jointly-owned banking investments around the world. These have all experienced very satisfactory growth in the difficult conditions of 1975.

Staff

Since joining the Midland Bank Group, I have come to admire greatly the professionalism and dedication of the staff and I am particularly pleased therefore, in my first Statement as Chairman and on behalf of the Board, to record our acknowledgement and appreciation of the indispensable contribution made by the 62,000 men and women who work in the Group.

I am personally in favour of the maximum practical participation of all levels of staff in the development of our activities and if it becomes apparent that our employees consider some formalised staff participation scheme desirable, we are ready and willing to respond.

The outlook

There are a number of signs which encourage the belief that the economic decline of 1975 has come to an end and that a mood of greater confidence is emerging. This does not mean that recovery is imminent in the United Kingdom nor that it will be rapid when it does appear. Nevertheless, I expect that the general level of economic activity at home and abroad, on which so much of our business depends, will begin to increase during the course of the year.

When it does, the Midland Bank Group has the capacity and the capability to assist in the recovery of the economy as a whole, and I am confident that within a more favourable economic climate the Group can resume its own profitable development and growth. In the meantime we have to recognise that costs will continue to rise and must inevitably restrict our ability to improve Group profitability significantly during 1976.

If you would like a copy of Lord Armstrong's full Statement and the Report for 1975, please write to: The Secretary, Midland Bank Limited, Head Office, 27 Poultry, London EC2P 2BX. The Annual General Meeting will be held at The Chartered Insurance Institute, 20 Aldermanbury, London, EC2 on 7 April at 11 a.m.

Midland Bank Group

Principal Trading companies

Midland Bank Limited; Clydesdale Bank Limited, Clydesdale Bank Finance Corporation Limited, Clydesdale Bank Insurance Services Limited, Scottish Computer Services Limited; **Northern Bank Limited,** Northern Bank Development Corporation Limited, Northern Bank Executor and Trustee Company Limited, Northern Bank Trust Corporation Limited; **Midland Bank Trust Company Limited,** Midland Bank Group Unit Trust Managers Limited; **Midland Bank Finance Corporation Limited,** Forward Trust Limited, Midland Montagu Leasing Limited, Griffin Factors Limited, Midland Bank Trust Corporation (Jersey) Limited, Midland Bank Trust Corporation (Guernsey) Limited; **Midland Bank Insurance Services Limited; The Thomas Cook Group Limited,** Thomas Cook Limited, Thomas Cook Overseas Limited, Thomas Cook Bankers Limited; **Samuel Montagu & Co. Limited (Incorporating Drayton),** Drayton Montagu Portfolio Management Limited, Guyerzeller Zurmont Bank AG, Northern Bank Finance Corporation Limited, Midland Montagu Industrial Finance Limited, Jersey International Bank of Commerce Limited; **Bland Payne Holdings Limited,** Bland Payne Limited, Bland Payne Reinsurance Brokers Limited, Bland Payne (UK) Limited, Southern Marine & Aviation Underwriters Inc., Bland Payne Australia Limited; **London American Finance Corporation Limited,** British Overseas Engineering & Credit Company Limited, Drake (UK) International Limited, Drake America Corporation, Export Credit Corporation.

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London City & Westcliff U.K. improvement

IN HIS annual statement, the chairman of London City and Westcliff Properties, Mr. J. M. Pickard says the Board is confident of achieving both financial stability and profitability but, while the former is already within reach, "the timing of the latter is less certain."

Group fortunes in the U.K. are being favourably improved by the continuing sale of properties and will be helped by the fall in short-term interest rates. On this basis, a return to profitability in the U.K. may be confidently forecast by the end of the year, says Mr. Pickard, but overall results will depend on the ability to deal with the major asset in France.

As reported on February 26 there was a pre-tax loss of £499,060 (£925,380) for the year to September 30, 1975.

The chairman reports that attention has been concentrated on selling as much low yielding property as possible in order to reduce short-term borrowing, improve profitability, and rebuild the group's financial strength.

Short-term borrowings have been reduced from £16.97m. to £10.84m. during the year, and to £8.75m. since the year end.

The directors have estimated the value of group investment properties in the U.K. as at February 1, 1975, based on a 30 per cent. reduction of the professional valuation as at September 30, 1973, and have incorporated this estimate in the group accounts at September 30, 1974. Sales of properties effected during 1974-75 have confirmed this estimate and they are of the opinion that the market value of the U.K. properties at September 30, 1975 is not materially different from the book value.

The only overseas property held for investment is the building known as "Bonaparte," Centre Nord, Paris, which is shown in the group accounts at cost, including all interest and other expenditure relating to the property up to September 30, 1975. As the building was only completed early in 1975 and is only partially let, the directors have not felt able to revalue the property.

The auditors report, in respect of the investment property in France, that in the absence of an independent valuation at September 30, 1975 and because of current uncertainties in the property market in France, they are "unable to form an opinion as to its value and whether provision needs to be made for any permanent diminution in the book value of the property."

In the absence of audited accounts of certain associates they are also unable to express an opinion as to the book value of these investments included in the balance-sheet at £962,429 or of the share of loss attributable to the group, amounting to £87,624.

At March 1, 1976 Sentinel Insurance held 25.62 per cent. of the unrestricted Ordinary and 14.4 per cent. of the 6 per cent. Cumulative Preference shares.

Meeting, Connaught Rooms, WC2, on April 13 at noon.

● comment

With Amalgamated Investment and Property going into compulsory liquidation yesterday the outlook for London City and Westcliff is not helped. Yet the accounts present a moderately encouraging picture. Short term debt has been further run down, thanks to sales of residential property, and is currently some £8.75m. with more disposals in the pipeline. The company hopes to be roughly breaking even in the U.K. by the end of this year, though the Paris Nord Business Centre will incur a substantial deficit even when it is fully occupied (it is only 20 per cent. let at present). The main short term hope must be that repayments from the liquidator of Israel-British Bank will swell revenue some time later this year—possibly by around £0.5m. The resumption of worthwhile dividends may determine when the shares can recover from their current level of 15p, against book net worth of 42p. The large shareholding of Sentinel Insurance also continues to overhang the market.

Dolan Packaging optimistic

PROFITS, before tax, of Dolan Packaging were up slightly from £1m. to £1.11m. in the half-year ended January 3, 1976, and the directors say that the level of trading to date in the second half shows an improvement on last year, which gives rise to optimism for the full year result.

In the year ended June 28, 1975, pre-tax profits totalled £2.12m.

A net interim dividend of 1.10p per share is declared compared with 1p previously—the previous total was 1.93273p.

Turnover for the first half was £7.09m. against £7.67m. The profit was struck after depreciation of £267,358 (£165,244) and loan stock interest, £25,463 (£29,685).

	Half-year 1975 £	1974 £
Turnover	7,087,988	7,674,068
Trading profit	1,398,125	1,199,536
Depreciation	267,358	165,244
Loan interest	25,463	29,685
Pre-tax profit	1,105,304	1,004,407
Tax	570,700	523,200
Net profit	534,604	481,207
Extraordinary credit	20,102	—
Attributable	554,706	481,207
Dividend	94,986	83,692
Retained	459,720	397,515

Although there was a reduction in external sales relative to 1974, there was a considerable increase in intra-group trading which has once again highlighted the benefit of the group's vertical structure, the directors say.

This, allied to the improvements in efficiencies which have resulted from previous investment, made possible the [illegible] ability.

● comment

Even though the paper and packaging industry has been working through a recession—production of packaging boards was down a quarter in 1975—Dolan has managed a 10 per cent. profits increase on sales 8 per cent. lower. Not surprisingly the shares jumped 6p on the news to 62p where the maximum prospective yield is 5.3 per cent. One reason why Dolan has been fairly resilient to the downturn is the new generation of machines installed in the previous year, which have led to some considerable cost savings and reduced wastage. The group also attributes some of its success to its vertical integration from waste processing onwards, which it feels has allowed it some extra flexibility to avoid shutting down machines. Meanwhile the company remains optimistic for the rest of the year; the comparable period felt the full effects of the recession. Also first-half pre-tax margins of 15½ per cent. look maintainable for the year, so projections for doubled interim profits are probably fair enough at this stage.

SCOTCROS

Scotcros has bought £47,500 of its 6 per cent. unsecured loan stock in the market. A total of £111,663 of its stock (14.5 per cent.), has now been redeemed.

Midland Bank warning on cost increases

RECOVERY IN the U.K. economy will give the Midland Bank the opportunity to "resume its own profitable development and growth" after last year's profits setback, Lord Armstrong the chairman, comments in his annual report.

He points out, however, that "costs will continue to rise and must inevitably restrict our ability to improve group profitability significantly during 1976."

Commenting on the past year's results, which showed pre-tax profits down from £96.2m. to £82.4m., the chairman says they were affected by a total increase of 30 per cent. in the running expenses of the Midland Bank itself.

None of the increased costs in the U.K. had been recovered through higher charges, though the bank had now made successful application to the Price Commission "to increase certain fees for services which have been running well below cost."

The clearing bank operations of the group had also been affected by the lower average level of interest rates, and the slack demand for bank lending. However, the bank had been able to reduce its reliance on the relatively expensive wholesale deposits from nearly 40 per cent. of the sterling total at the end of 1974, to about 25 per cent. at the end of last year.

On the banks' contribution to industrial finance, the chairman states that last year there was a "considerable" increase in the Midland's commitments to medium-term loans. Lending under sterling facilities made available, in one form or another, over a term of years "now accounts for about one-third of the bank's total advances."

Lord Armstrong also adds his voice to the growing concern over the possibility of public sector borrowing "crowding out" private sector needs as the economy recovers.

Commenting on the bank's capital position, the chairman argues that last year's experience justifies the substantial retentions of earlier years. Without them, the lower level of retentions in 1975 would "scarcely have been adequate to support last year's modest rate of growth, let alone provide a base for the significant expansion in the demand for finance which is likely."

ASSETS—	1975 £000	1974 £000
Coin, bank notes, etc.	469,659	592,401
Money at call, etc.	1,152,331	1,467,322
Bills discounted	618,913	359,669
Total liquid assets	2,241,123	2,429,392
Cheques	393,629	294,734
Certificates of deposit	122,920	334,119
Dealing assets	116,343	105,328
Deposits with Bank of England	146,155	148,150
Investments	510,462	350,635
Debtors	174,420	77,080
Customers' accounts*	6,262,510	5,776,004
Trade investments	11,861	18,390
Associates	114,513	61,389
Fixed assets†	268,369	280,744
Premium‡	79,233	83,073
LIABILITIES—		
Issued capital	132,424	97,046
Share premium	39,963	—
Reserves††	390,995	376,922
Total holders' funds	563,352	473,968
Minority interests	10,401	6,951
Loan capital	151,331	119,414
Deferred tax	85,000	48,512
Provisions	52,296	32,001
Current liabilities:		
Current deposits, etc.	9,212,194	9,032,516
Taxation	9,734	35,362
Creditors	269,097	109,507
Dividend	9,641	6,362
Notes	60,096	33,511
Total current liabs.	9,502,382	9,206,289
Group balance-sheet Total	10,364,850	9,940,236

Footnotes (000s omitted) * Comprising advances £6,040,693 (£5,579,429), instalment finance £142,946 (£115,285) and leased assets £78,871 (£81,290). † After £13,147 (£10,635) provision for obsolescence. ‡ Premium on acquisition of shares in subsidiaries. †† After £1,307 (£1,366) investment suspense accounts.

Chairman's Statement Page 25

Hampson little changed at midway

On reduced sales of £3,795,007, against £4,090,194, profit of Hampson Industries improved marginally from £211,026 to £212,192 in the half-year to September 30, 1975, subject to tax of £110,340, compared with £109,734.

In the light of the general conditions affecting the engineering industry the directors feel confident that holders "will not be dissatisfied" with the result for the year as a whole. Profit, before tax, for the year to March 31, 1975, was £447,461.

The liquid position remains "very strong" and the group is well poised to take advantage of the anticipated up-swing in the economic climate and also to take advantage of any opportunities which may occur—and which the directors are constantly seeking—to make advantageous acquisitions.

The interim dividend is 0.25p net per 5p share (same, adjusted for a scrip issue). Last year's total was equal to 0.625p.

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Needlers paying 1.1p

Chocolate makers and manufacturing confectioners, Needlers, is returning to the dividend list with a recommended 1.1p net per 25p share for the 53 weeks to January 3, 1976—the last payment was 1p for 1973. Stated earnings per share increased from 0.1p to 6.2p.

Profit expanded from £13,449 to £148,487. When reporting an improvement from £32,100 to £85,700 for the first 25 weeks the directors said they expected to maintain that level of profitability for the rest of the year.

Turnover increased from £4.78m. to £5.19m. for the 53 weeks, but tonnage despatches fell by 19 per cent. Some growth in tonnage is planned in the current year.

In a full year the £6 pay increase, conceded in November, will cost £200,000 and it has proved difficult to recover this in the form of price increases.

First half results, therefore, are likely to be poor but the chairman, Mr. R. R. Needler, is hopeful that the 1975 results can be improved upon this year.

The dividend is waived on 489,224 shares.

BOARD MEETINGS

The following companies have notified dates of Board meetings to the Stock Exchange. Such meetings are usually held for the purpose of considering dividends. Official indications are not available whether dividends concerned are interims or finals and the sub-divisions shown below are based mainly on last year's timetable.

TO-DAY

Interims: Bracken Mines, [illegible], Cope Allman International, [illegible], Leslie Gold Mines, Lister, [illegible], Scholes, Scottish Cities [illegible], St. Helena Gold Mines, West of [illegible] Trust, Winkelhaak Mines.

Finals: Clayton Dewandre, [illegible] Securities, Leonard [illegible], [illegible] Distillers, Hugh [illegible], John Stephen of London.

FUTURE DATES

Interims—	
[illegible]	[illegible]
Dwight (Robertson)	[illegible]
Johnson and Firth Brown	Mar. [illegible]
Finals—	
A.P.V.	Apr. 6
Bell (Arthur)	Mar. [illegible]
BICC	Mar. [illegible]
Collins (William)	Mar. [illegible]
East Lancashire Paper	Mar. [illegible]
Jones (A. A.) and Shipman	Mar. [illegible]
Magnolia Manufacturing	Mar. [illegible]
Matthews (Bernard)	Mar. 25
Miller (Stanley)	Mar. N.
Reckitt and Colman	Apr. 5
Rix (Oliver)	Mar. 19

Scottish Western policy

THE CHAIRMAN of the Scottish Western Investment Company, Mr. J. A. Lumsden, tells members that, in present circumstances, he thinks it right to be fully committed to equities with a modest degree of gearing, and maintaining approximately two-thirds of investments outside the U.K.

On the basis of present revenue estimates, and having regard to the substantial revenue reserves available, the directors expect to recommend total dividends for 1976 of not less than the net 1.8p of 1975. An unchanged net interim of 0.5p has already been declared.

The chairman says it is difficult to predict the likely earnings per Ordinary share this year, partly because of the probability of "B" share conversions, and partly because cash held on short-term deposit in the early part of 1975 has now been substantially reinvested in equities, from which [illegible]

[illegible]

The two largest [illegible] in [illegible] Fund [illegible] and [illegible] Fund [illegible], which were also very liquid at the end of 1974, but are now [illegible] fully invested.

Meeting, Glasgow, April 5, at 10 a.m.

Chairman's Statement Page 27

Yule Catto slips to £737,101

TURNOVER FOR the year to October 31, 1975, of Yule Catto and Co. increased from £4.6[illegible]m. to £5.03m., but pre-tax profits dropped slightly from £[illegible] to £737,101.

At halfway, reporting a rise from £505,070 to £[illegible], the directors warned that palm oil prices had "come down significantly" and that it would be difficult to achieve the record profit levels of 1973-74.

Full year earnings are shown at [illegible] compared with [illegible] per 10p share. The final dividend is [illegible] net [illegible] maximum permitted total of [illegible] against 1.0566p.

The tax charge is down from £378,588 to £[illegible], and after extraordinary debits of £[illegible] (credits £35,640), the attributable balance is £213,863 compared with £[illegible].

The directors say that higher rubber and palm oil harvests are expected in 1976 and provided present commodity prices can be maintained they foresee higher profits.

The U.K. activities are trading healthily and it is expected that the group overall "will show record results."

WINTRUST

To allow shareholders of Wintrust the option to elect in part or wholly for scrip in lieu of the cash dividend, the directors will be postponing payment of the interim dividend until April 20.

هكذا من الأصل

مكتبة منه الأصل

R. Dutch-Shell net income £950m.

INCOME of the Royal /Shell Group divisible the 60:40 arrangement, rom a restated £1.09bn. to in 1975.
includes £50.9m., against U.K. advance corporation located to Shell.
's 40 per cent. share comes 0m. compared with £437m. tax and other adjustments net income was £335m.). Earnings are shown at (72.87p) per 25p share.
1975, the group spent n. on capital account, a rise per cent. Long-term debt year-end was £1.94bn., enting 23.5 per cent. of employed against 19.7 per
Of the increase over the of £500m., some £200m. is ted to result from the e in sterling. Total holdings h and short-term securities ted to £1.85bn. at the year 191m. up on 1974.
return on average net for 1975 was 17.4 per cent. net income expressed per of sales was 1.24p per al gallon (2.08 US c. per gallon or 1.53 Neth. cents re). Results were inflated continued fall in the value ling.
ssion in most major con- g countries, coupled with ffects of high oil prices, d in a continuing fall in oil d. Sales of oil by group nies were 13 per cent. than in 1974, but within n increased proportion of of lighter products gave support to margins.
the other hand unit costs rose as a result of inflation and substantial under-utilisation of assets, particularly in manufacturing and transportation. There are now signs of resumed growth in some major markets, and the existing spare capacity "puts Shell in a position to take advantage of any upswing at low incremental cost."

Crude oil supply costs remained comparatively stable in dollar terms for the first nine months. For most consuming countries, however, the strengthening of the dollar during the third quarter increased local currency costs of supplies. In addition, from October 1, a rise of about 10 per cent. was imposed by producing countries.

These cost increases, coupled with the effect on prices of the continued low demand, meant that by the end of the year margins on oil trading outside North America were coming under pressure. There have, however, been some price increases during the opening months of 1976.

Shell Oil in the U.S. reported somewhat reduced earnings for 1975 and Shell Canada a small gain; together they accounted for 22.5 per cent. of group earnings against 22.2 per cent. in 1974.

Outside North America chemicals earnings were sharply reduced, but in the fourth quarter there were clear signs of improvement. Natural gas continued to perform well. The metals business incurred a small loss.

Severe problems of the nuclear energy industry continued during 1975 and by the end of the year General Atomic had effectively withdrawn for the present from commercial development of the High-Temperature Gas-Cooled Reactor. Costs of withdrawal during and since the end of 1975 have been fully absorbed within a provision against future losses with no effect on earnings.

The final dividend from Shell is 8.778p net, for a total of 12.782p (11.978p). Because of dividend restraint in the U.K. there has been a substantial build-up of retained earnings which amounted to £58m. at the year-end. These will be held available for distribution to holders in due course.

Royal Dutch is paying a final of Fls.5, to give a total of Fls.8.75 (Fls.8.).

	1975 £m.	1974 £m
Revenues	15,189.8	14,386.7
Sales proceeds	18,135.4	17,115.4
Taxes, duties, etc.	3,661.0	3,325.7
Other revenues	397.2	345.7
Associates' share	135.1	54.8
Interest income	154.3	208.4
Costs and expenses	14,289.6	13,334.1
Purchases, operating expenses	9,019.1	7,698.9
Selling, general, etc	1,560.1	1,394.2
Exploration, R & D	*339.5	293.5
Depreciation	502.7	436.1
Interest expense	197.2	168.7
Taxation	2,240.6	2,785.6
Minority	90.4	155.9
Net income	899.4	1,052.6
Advance corpn. tax	†50.9	39.9
Divisible income	950.3	1,092.5

*Including dry holes.
†Takes in adjustments for tax rate changes affecting final dividends.

The 1974 figures have been restated to effect the proposals of the Financial Accounting Standards Board in the U.S. relating to the translation of non-sterling assets and liabilities. The effect on 1975 earnings was negligible.

See Lex

Record Ultramar profit—15.3m. rights issue

IE same time as reporting profits up from £15.7m. ecord £20.1m. for 1975, the rs of Ultramar announce als to raise about £14.7m., expenses, by a rights offer er cent. (net) Convertible nable Preferred shares.
preliminary statement of shows that earnings per tock unit advanced from to 40.9p—group earnings ery largely in U.S. and an dollars which in 1975 een converted at $U.S.2.02 in 1974) and Canadian ($2.325) to £1.
cash dividend is recom- d but it is proposed to a scrip issue on a one-for-15 as last year—stock distribu- ather than cash dividends een made since 1965. Look- head, the directors say an ant new factor in consider- e question of distributions e the returns from the d natural gas project in sia, expected to begin in and make a "substantial" bution to profits in 1978.
flow from operations for ar totalled £23.2m. against and net loans raised were (£5.2m.). Capital expendi- in the year increased to (£18.5m.) and working by £14.1m. (£9.9m.)— g capital at the end of the year was £38.9m. (£24.8m.).

The 15.3m. Preferred shares comprising the issue are to be offered at 100p per £1 share by way of rights on the basis of nine for every 20 Ordinary stock units held. They will be convertible in June of 1976 to 1988 inclusive into Ordinary at the rate of 10 Ordinary for every 19 Preferred.

A letter to Ordinary holders will be despatched on March 15 giving details of the proposed issue which is being underwritten by Morgan Grenfell and Co. Brokers to the issue are Cazenove and Co. An extraordinary meeting will be held on April 7, 1976.

Commenting on the purpose of the issue, and prospects, the directors explain that to enable the group to maintain its capital expenditure programme and to provide additional working capital, a further injection of funds is necessary. In addition, it is thought desirable to repay part of the short-term debt and they have decided these objects can best be achieved by a combination of the proposed rights issue and medium- and long-term loans.

Conditional on the rights issue being made a consortium of banks, led by Morgan Guaranty Trust Company of New York, has agreed to provide a five-year Eurodollar facility of $U.S.20m., part of which will be used to reduce short term debt.

Negotiations are also in progress for the issue to a group of U.S. and Canadian institutional investors of some $20m. Mortgage Bonds. It is anticipated the Bonds would be repayable in the years 1978 to 1991.

It is too early to make a forecast for 1976, the directors add, but the additional funds and the diversity of operations and geographical spread of the group should assure a satisfactory result.

However, should the present adverse market conditions in many of the areas in which the group is active persist, it may be difficult to achieve the record profit of 1975, they warn.

	Dec. 31 1975 £000
Net assets	
Fixed assets & capital expenditure	156,275
Goodwill	5,505
Long-term receivables	2,860
Net current assets	38,966
Stocks	60,680
Debtors	62,459
Cash	1,835
Less current liabilities excluding all loans	85,935
Balance	185,106
Less: loans	[illegible]
Deferred tax	[illegible]
Unrealised exch. profits	3,304
Net assets	82,368

Statement Page 26

See Lex

MINING NEWS

East Drie again to pay more

BY KENNETH MARSTON, MINING EDITOR

DESPITE THE expected onset of tax liability in the first half of this year the **Consolidated Gold Fields** group's **East Driefontein** gold producer hopes to increase its dividend again in 1976 provided that there is no material decline in the gold price. In his annual statement the chairman, Mr. R. A. Plumbridge, adds that it should be possible to maintain the higher dividend rate in 1977.

East Driefontein has decided not to go ahead with mechanical ore sorting at this stage and in order to achieve the same gold output from a monthly milling rate of 180,000 tons of sorted ore the plant capacity is to be extended to 210,000 tons by mid-1977. The gold production target is some six months behind that previously envisaged, however. East Driefontein were 890p yesterday.

In its report covering the 18 months to December 31 last the young **Deelkraal** gold mine says that good progress is being made with construction, but a speeding up of the spending programme coupled with the impact of inflation, means that further capital will have to be raised towards the end of this year rather than in early-1977.

Mr. Plumbridge says that the cost to the trial milling stage in 1980 at Deelkraal will now be more than R110m. (£65m.) compared with the prospectus estimate of R100m. Deelkraal closed at 135p yesterday.

In view of the fall in the gold price, **Vlakfontein** has decided not to go ahead with the development of the West Vlakfontein area and expects profits to be lower this year in line with a further fall in output. Vlakfontein were 70p yesterday.

GOLD HOLDINGS LOWER AGAIN

South Africa continues to sell all of her newly mined gold output on the free market in addition to some metal from reserves. Figures released by the Reserve Bank show that for the week ended March 6, gold holdings fell by R0.35m. to R523.85m. (£311.8m.) indicating that a little under half a tonne was sold from reserves in addition to the week's newly mined output out at 14 tonnes.

This is the sixth week running that small amounts of metal have been disposed of from reserves, indicating an underlying firmness in the bullion market at around current levels. The recent weakness of sterling might well have caused a greater response in the gold price were it not for the anticipated sales of the metal from the International Monetary Fund overhanging the market. Bullion closed at $183.75 per ounce yesterday.

ROUND-UP

Ontario is to alter its mining taxation policies to encourage more exploration in the province. The Lieutenant Governor said that the changes will be made in tax treatment of exploration expenses which will make exploration "as attractive in years of low metal prices as in boom times."

* * *

South Africa's **Village Main Reef** which suspended underground gold mining operations on February 16, has said that they were resumed on March 8 following the clearing of high concentrations of carbon monoxide gas from the mine's workings.

* * *

The Zaire Government is understood to have now paid to Belgium's **Union Miniere** around 90 per cent. of the B.Frs.4bn. (£52.3m.) agreed compensation for the take-over of the company's assets in the former Belgian colony. This compares with 54 per cent. paid at the end of 1974.

Good interim from Steyn

A PLEASANT surprise in the interim dividends for the financial year to next September announced by the **Anglo American** group's Orange Free State gold producers is the payment of 40 cents (23.8p) by **President Steyn**. Admittedly it compares with 60 cents a year ago, but estimates of the latest interim had ranged down to only 20 cents in view of the heavy capital spending programme.

President Steyn's payment seems relatively high in relation to likely earnings for the half-year but it has been made in the light of disproportionately heavy capital expenditure in the period and an expected recovery in second-half profits after the adverse effects of a fire in the first-half. An insurance payment is also expected in regard to the fire.

	Mar., 1976 cents	Sept., 1975 cents	Mar., 1975 cents	Sept., 1974 cents
F. S. Geduld	120	100	170	200
Pres. Brand	105	125	125	150
Pres. Steyn	40	85	60	85
W. Holdings	185	250	225	280
Welkom	12½	25	30	30

The interim of the declining **Welkom** mine has been cut to only 12½ cents (7.4p) while those declared by the rest of the field are much as expected and all are lower than those of a year ago in line with the gold price. It is pointed out that the payments these days are much more closely related to earnings made in the half-year period and therefore cannot be taken as a measure of the pending finals.

A considerably better than expected final dividend of 30 cents (17.8p) is declared for the current year to June 30 by the **Barlow Rand** group's **Harmony**. It makes a total for the year of 65 cents (38.7p) compared with 77 cents in 1974-75.

URANIUM & GOLD FORECASTS

Based on his estimates of the requirements of nuclear reactors already ordered, the president of Canada's uranium producer **Denison Mines**, Mr. John Costuik, predicts that there could be a shortfall in the metal's production of 11,000 tonnes in 1978.

He adds that the shortage could increase to 30,000 tons annually by 1985 unless massive efforts are undertaken to increase uranium exploration and production.

Speaking in Cape Town on the subject of gold, South Africa's Finance Minister, Mr. Horwood reckons that the Republic's gold production is likely to rise gradually. He points out that tendency to mine lower grade ore at a time of high bullion prices has been arrested by the metal's downturn while new mines will also be opened.

He considers that the bullion price may be depressed for some months but that more favourable factors will eventually prevail, particularly when uncertainty regarding the proposed International Monetary Fund sales is removed.

Interim cut by Macallan Glenlivet

THE WARNING from **Macallan-Glenlivet** of lower profits is being borne out. In the half year ended January 31, 1976, they have fallen from £193,250 to £157,000, and there will be a further deterioration in the current half, the directors state.

And they are cutting the interim dividend from 1.378p net to 1.279p per 25p share. For the year ended July 31, 1975, total dividend was 3.745p paid from profits of £476,000.

Turnover fell £150,000 to £962,000 because of the general recession in the Scotch whisky industry, but trading profit improved to £268,000 (£266,750) reflecting higher revenue from warehousing and increased sales of bottled Macallan. However, charges relating to the recent plant expansion have reduced the pre-tax figure.

Under present subdued conditions the restricted demands for new whisky fillings is now the dominant factor in holding down margins; and a temporary fall in the cost of malt has been overshadowed by the continuing steep rise in direct charges.

The directors emphasise that the slow recovery in international economic activity will not by itself result in real profitability in the industry. An understanding of the problems by Government and continued commitment to the high quality of Scotch whisky in all countries by the market leaders will be required "to ensure that blenders are in a position to maintain and develop the demand for Scotch whisky in the future."

BIDS AND DEALS

Polygram bids 50p a share for Stigwood

BY KEITH LEWIS

A BID OF 50p per share for entertainments group **Robert Stigwood** has been formally made by **Polygram**, a Dutch company jointly owned by Philips and the German Siemens Group. The offer follows an announcement made on February 24 that the two companies were in talks, a statement prompted by a strong upsurge in Stigwood's Stock Market price during the middle of February—the shares ended yesterday 4½p higher at 46p.

Polygram already has an effective holding of 52 per cent. through its own 26.1 per cent. stake and the 26 per cent. now controlled by Mr. Robert Stigwood, whose holding was doubled recently following the acquisition of 1.4m. shares from his partner, Mr. David Shaw, at 32.4p per share.

Conditional on the offer being completed, Necesse BV, the subsidiary of Polygram through which the offer is being made, will buy Mr. Shaw's original stake at the same selling price of 32.4p. The remainder of the share capital—that is, approximately 88 per cent.—will be acquired at 50p.

The offer is conditional on formal consent from the Bank of England and the authorities in Holland, and also on the offer not being referred to the Monopolies Commission. It is intended that the offer will be made through a Scheme of Arrangement under section 206 of the Companies Act, 1948.

Prior to the deal Stigwood faced problems of financing due to its recent direction towards the production of films and music. It is hoped the new deal will considerably strengthen the financial base of the company. Assuming the offer is successful, Mr. Stigwood will be retained under a service contract for five years' duration.

Robert Stigwood Group also announced annual results yesterday, with turnover in the 12 months to September 30, 1975, of £11.49m. compared with £5.31m. in the previous year. The group earned pre-tax profits of £898,000 against £775,000 and after tax of £561,000 (£435,000) and minorities of £1,000 (credit £10,000), the attributable profits amounted to £336,000 against £330,000.

The Board had intended to recommend a final dividend of 9 per cent., but consideration has been suspended due to the talks with Polygram.

● comment

Robert Stigwood has been undergoing a transformation for about three years but the main effects are only now beginning to show through to results. The main change has been on the film production activities. Whereas the group acted largely as a fee charging agent in the apst it now operates mainly as a principal and this is largely responsible for the enormous rise in 1974-75 sales; profits rose by 16 per cent. pre-tax. This tyep of activity however requires far greater financial resources, hence the reason for the bid. Th forecast of £1m. pre-tax in 1975-76 puts the shares on an exit p/e of 11.2 at which level the offer price of 50p looks fair. The 1975-76 projection should be within reach from present resources even without the bid but the group is aiming for a fast expansion programme in the short term. Whereas, the group involved itself in only one film production per year in the past, it is aiming, if the bid is successful, to produce three films in 1975-76.

Alliance Alders profit forecast

Alliance Alders, currently the subject of an agreed bid worth £8.6m. from **Jefferson Smurfit Group**, is forecasting profits of £2.3m. (£2.15m.) for the year to April, 1976 on an estimated turnover of £26.1m. (£24m.)—75 per cent. of which had been achieved by January 31.

The forecast is contained in the formal offer document despatched to AA shareholders. The document shows that Smurfit now owns 31.5 per cent. of AA's equity and that the directors of AA and another shareholder, who together own 6.2 per cent. of the Ordinary, have indicated their willingness to accept.

It is also announced that the **De La Rue Company** and **Jefferson Smurfit Group** have merged their Irish interests in Systems and Security Printing—De La Rue (Security Print) (Ireland) and Security Printing—with effect from April 1 next. The new company, De La Rue Smurfit, will be jointly owned by De La Rue and Smurfit.

FNFC sells stake in Chaddesley

Following Bank of England consent, **Compagnie Auxilaire Pour l'Industries** has acquired a 46.6 per cent. stake in **Chaddesley Investments** from **First National Finance Corporation** at 6½p per share. Details of this deal, and the offer at the same price extended to other shareholders, are sent out to Chaddesley shareholders in a formal document.

Under the agreement, CAPI also agreed to procure payment of a £250,000 loan made to Chaddesley by FNFC. This has now been repaid and replaced in part by an unsecured 2-year loan of $U.S.405,000 from CAPI.

Consolidated net assets of Chaddesley at December 31, 1975, are shown to be worth 17p per share, taking properties at cost. However, due to the fall in property values, the directors feel the likely asset value is 10.4p.

CAPI is described as an investment, management and financial service and trust company incorporated in Switzerland. It has granted an option to Glen Anil Development Corporation exercisable prior to March 1, 1977, to purchase for 6½p per share up to one-half of the total number of shares it has acquired in Chaddesley, up to a maximum of 29 per cent. of Chaddesley. Glen Anil is a South African company specialising in land development, construction, housebuilding and shopping centre and flat development. There are no equity holdings between the two companies.

It is intended that Chaddesley will remain resident within the U.K., that its operations will be expanded and present employees will be retained.

Samuel Osborn expansion in Australia

Samuel Osborn and Co. has reached agreement with **British Steel Corporation (International)** on the acquisition by Samuel Osborn Overseas from BSC(I) of the share capital of ESC Tools Pty. of Melbourne, manufacturers of engineers' cutting tools.

Consideration amounting to £585,000 has been met in cash in approximately equal parts in the U.K. and in Australia.

Sir Thomas Webb has agreed to continue as chairman of ESC and Mr. K. Jack as managing director. Mr. John Robson, managing director of S. Osborn Overseas and Mr. R. A. Williamson and Mr. D. R. A. Murray will be appointed to the Board. Mr. K. H. Lewis and Mr. G. G. Ridley will resign.

This acquisition furthers Osborn's planned expansion in tool manufacture and enables ESC to take advantage of Osborn's existing distribution outlets for tools in other countries throughout the world.

BLACK & EDGINGTON PURCHASES

Black and Edgington, the camping and leisure group, has made two acquisitions which represent a combined outlay of around £100,000. Through its subsidiary, Blacks Travel Agency, it has taken over Gower Travel, a Glasgow-based travel agency, and **Marquee Hire Contractors Spencer West**, of Kidderminster, which operates in the West Midlands.

ASSOCIATES DEAL

Josias Cunningham purchased 5,000 Thompson Reid at 26p on behalf of an associate.

INTERNATIONAL COMPANY NEWS + EURO MARKETS

Chantiers and Alsthom decide on merger

BY RUPERT CORNWELL

PARIS, March 11.

THE TROUBLED heavy electrical concern Alsthom, and Chantiers de L'Atlantique, France's largest shipbuilding company, are to merge and create what will be a diversified and internationally based engineering group with annual sales of up to Frs.10bn. (£1.1bn.).

To-day's announcement, which was followed by the suspension of dealings in the two companies' shares on the Paris Bourse, came as something of a surprise—even though it is widely believed here that insider trading, by forcing Alsthom's price higher, obliged the plan to be disclosed a little prematurely.

There are, however, powerful reasons on both sides which argue for the move. Alsthom, 57 per cent. owned by the giant electrical group CGE, has long been a millstone around its parent's neck.

For the past three years it has been in deficit and its prospects have not been enhanced by the decision by the French Government last summer to abandon the boiling water technique sponsored by CGE for the country's nuclear devclopment programme.

Chantiers de l'Atlantique is itself in a less comfortable position to-day as a result of the dramatic downturn in the world tanker market. Its yards are sure of work only up till 1978 and a deal with Alsthom would be a major step towards its goal of diversification.

Its main efforts in this direction have been the manufacture of diesel engines and marine turbines, as well as offshore floating factories which it has high hopes of selling in the Gulf.

Officials of both groups do not conceal their view that a link-up with Alsthom, a specialist in locomotives and other powerful electric motors, would make sound industrial sense—all the more so in that the latter's own turbine subsidiary Ste. Rateau has had its share of problems recently.

Above all, however, the ideal of the merger has been inspired by the highly successful Japanese model whereby that country's shipyards are most often part of larger industrial empires, whose size enables them to ride out the cyclical difficulties on the ship building side.

The two have already decided on an exchange deal on the basis of two Chantiers shares for every seven in Alsthom, and approval has already come from their parent companies. The two Boards will meet on March 19, to finalise the proposals after consulting their respective works committees.

In 1975 Alsthom reported sales of some Frs.5.5bn. (£600m.), but is expecting another loss after deficits of Frs.80m. and Frs.109m. in 1974 and 1973. Chantiers de L'Atlantique, the French leader in the super-tanker and LNG tanker field, had turnover of Frs.2.6bn. last year and has remained consistently profitable. Together, they hope to fend off increasingly threatening competition from the U.S. and Japan.

Mediocre results from CFP

BY RUPERT CORNWELL

PARIS, March 11.

CFP, the French oil major in which the Paris Government has a stake of 35 per cent. to-night announced a substantial drop in earnings at both parent and group level, but is planning to pay shareholders an unchanged dividend for 1975 of Frs.14.10.

The news released at the same time from its refining subsidiary Cie Française de Raffinage is, however, worse still. Faced with the perennial problem of insufficient domestic prices for petroleum products, it has seen its gross profit plunge to Frs.263m. from Frs.1.2bn. in 1974.

After depreciation and other provisions, the outcome for CFP is a net loss of Frs.154m. and a decision to pass the dividend for last year. Net sales also contracted, by almost 10 per cent. to Frs.13.8bn. from Frs.15.3bn. (£1.7bn.).

For CFP itself the decline in parent company income last year was less dramatic, to Frs.413m. from Frs.581m. in 1974. Nonetheless, the Board warned tonight that at consolidated level cash flow will be cut by half to somewhere around Frs.2bn., while net group earnings will probably show a steeper fall still.

The company is seeking authorisation from shareholders to raise up to Frs.400m. by a convertible bond issue within the next 12 months. The proceeds will help finance its development programmes, both in Indonesia and the North Sea, where it is deeply involved.

The background to this mediocre set of results from France's largest oil group is the familiar one of a depressed world oil market last year following the recession, and inadequate prices on the French market under the Government's campaign to contain domestic inflation.

To these factors must be added the dismal showing of the chemical and petrochemical interests of the group in 1975. Both of its major subsidiaries in this area, ATO-Chimie and ATO-Emballage, will report heavy losses for last year.

The upshot for CFP will be a further increase in group indebtedness and a corresponding cut in its self-financing capacity, according to company officials to-night.

German publisher's 'proud look'

BY GUY HAWTIN

FRANKFURT, March 11.

THE BERTELSMANN Publishing Group to-day reported satisfactory progress in the 1974-75 business year which ended June 30, and forecast a 12 to 15 per cent. growth rate for the current year. Last year total turnover rose 11.4 per cent from DM1.85bn (£376m.) to DM2.06bn. (£419m.).

Consolidated group turnover went up by 12.2 per cent. from DM1.73bn. to DM1.94bn. while at the same time net profits rose by 64 per cent. to about DM90m. The "over-proportional" profits increase was attributable to the success of rationalisation measures in all sectors, said Herr Reinhard Mohn, group chief executive.

Further capital investment would be needed in the future if the development of the group was to remain positive, said Herr Mohn. He cited the group's recording interests and said that they would need further building up to secure their share of the world market.

At the present time Bertelsmann was building up its record production in the U.S. Similar activities were planned in Britain.

Herr Mohn forecast that group total profits for the current 1975-1976 business year would "have a proud look about them." In 1974-75 important factors, such as the graphics business and the magazine, had suffered as a result of the economic downturn, but there had been a marked improvement in these areas during the current year.

During the 1974-75 business year, turnover figures for the various group sectors had differed considerably. For instance the book and record sector turnover had risen by 15.9 per cent. to DM667.9m., turnover in the various publishing ventures had gone up by 34.1 per cent. to DM179.8m., while the Gruner and Jahr publishing subsidiary showed only a 2 per cent. growth which brought turnover to DM682m.

Astra sales growth

BY WILLIAM DULLFORCE

STOCKHOLM, March 11.

ASTRA, the Swedish pharmaceutical concern, proposes to pay a 1975 dividend of Kr.5 per share on the increased equity of Kr.125m. compared with Kr.6.25 per share paid on the Kr.100m. equity in 1974. As reported in the Financial Times on January 14, Astra increased its pre-tax earnings by 18 per cent. to Kr.92m. (£10.2m.) last year. The adjusted net earnings per share rose from Kr.15 to Kr.18.

Final figures released yesterday show a 16 per cent. increase in turnover during the year to Kr.1.27bn. (£140m.). Sales abroad rose by 22 per cent. to slightly more than half the total turnover and achieved better profit margins than domestic sales.

The parent company had a net profit of Kr.49.2m. (£5.8m.) after extraordinary income of Kr.30m. from the sale of property and shares and a transfer to the investment fund of Kr.33m. compared with Kr.4.5m. in 1974.

In January, managing-director Arne Wegerfelt forecast an 18 per cent. increase in sales this year with overall earnings keeping pace with turnover growth.

Jump in profits at Orion Bank

By Michael Blanden

ORION BANK, the multi-national consortium group, reports profits for 1975 increased by 51 per cent. from £4.87m. to £7.37m. pre-tax. The chairman, Mr. David Montagu, comments in his report that the prospects for the current year are "encouraging."

The renewed strength of the Eurobond markets, the downward movement in interest rates and the continued impetus towards a more settled currency exchange situation, he says, "at least hold out the promise of less hazardous conditions in the international capital markets."

He said yesterday that the bank expected profits this year to be about the same as last year's, which benefited from a substantial rise in fee income from arranging international loans as opposed to straight lending operations.

During the year, the bank's total assets increased from £550m. to £717m., with medium term loans rising from £377.9m. to £479m.

Profits were stated after increased provisions against doubtful debts, though Mr. Montagu said that there were no specific situations in which the bank was involved which were causing major problems. Shareholders in the bank are Chase Manhattan, Credito Italiano, Mitsubishi Bank, National Westminster, Royal Bank of Canada and Westdeutsche Landesbank.

* * *

Citicorp International Bank, the London-based international merchant banking subsidiary of the group which includes First National City Bank of New York, also reports substantially increased profits. At the pre-tax level, they rose last year from £2.3m. to £3.6m.

The bank's total assets rose from £31m. to £45m. during the year, with medium-term loans up from £14.5m. to £22.9m.

Mexican loan signed

Financial Times Reporter

SIGNED TO-DAY in London was a $220m. medium-term loan to Banco Nacional de Obras y Servicios Publicos, S.A., a Mexican government development agency.

The funds will be used by Banobras to finance its ongoing programme of developing Mexican social infrastructure in projects such as water supply, roads, schools and low cost housing.

Lead manager and agent for the loan was Libra Bank, a London based merchant bank specialising in Latin America. The management group included Banco de Comercio of Mexico, the largest private bank in Latin America and a shareholder of Libra, Chase Manhattan Bank, another Libra shareholder, as well as Canadian Imperial Bank of Commerce. Citicorp International Bank and Western American Bank (Europe) were also managers of the five year loan.

Future 'good' says Alcan

MONTREAL, March 11.

ALCAN Aluminum appears to be entering "a period of healthier business and marketing conditions which we hope will be sustained," Mr. Nathaniel V. Davis, chairman and chief executive, told the annual meeting. But Mr. Davis cautioned: "This improvement is not occurring on a uniform basis and some areas are still extremely weak."

He reiterated that first quarter operating earnings were not expected to be good, and earnings would be adversely affected by redundancy payments in Jamaica. He added that first quarter earnings would not be available until the second half of April.

AP-DJ

Hong Kong exchange may open in July

HONG KONG, March 11.

HONG KONG Government officials hope to finish the third, and possibly final draft of a commodities ordinance within a few days to provide for the setting up of a commodity exchange here.

The ordinance might then be considered by the Executive Council around the end of March, or early April, and by the Legislative Council at the end of May, or in June, providing there are no serious problems.

Reuter

Thyssen hopes for recovery

BY ADRIAN DICKS

DUSSELDORF, March 11.

THYSSEN, West Germany's largest steel producer, has announced sharply reduced profits for the 1974-75 business year. But in spite of the fall from DM340m. to DM243m. net, a dividend of DM150m., or DM7 per DM50 share, will once again be paid.

Dr. Dieter Spethmann, chairman of the Thyssen management Board, told reporters here that the company is now hopeful of a real improvement in the steel industry's order books. The current business year would be a satisfactory one, he said, although the first three months would show a loss. He declined to predict what profits might be for 1975-76.

During the 1974-75 year Thyssen experienced many of the difficulties that have now been amply illustrated elsewhere in the German steel industry. Production fell some 16 per cent. from the previous year, though group turnover fell only 3 per cent. from DM22bn. to DM21.3bn.

Among the brighter spots in last year's performance was that of Rheinstahl, the engineering group which has now been integrated into the Thyssen group. It managed to raise turnover from DM6.2bn. to DM6.9bn. although orders on hand for the first two quarters of the current business year suggest that it may find this performance hard to repeat unless the economic upturn gathers considerably more strength.

Thyssen regards the improvement in capacity utilisation as its principal problem in the next few months: at the end of the 1974-75 year it stood at an average of only 68 per cent., while some 19,000 workers out of a total cut from 147,000 to 141,000 were on short time. Short-time working has now been reduced so that only 16,000 people are affected.

The company also attaches great importance to the negotiations currently in progress with Ruhrkohle over a new price structure, seeing the future development of raw materials prices as the crucial factor in its competitivity as world demand slowly picks up.

Thyssen will be well placed to take advantage of an improvement in orders, Dr. Spethmann said, following an increased investment programme last year. Total investment in fixed and financial assets was raised from DM871m. to DM1.09bn.

The chairman said that Thyssen's position had also been strengthened by an increase in equity capital relative to debt. A further capital increase is planned for the current year, but Dr. Spethmann declined to say when this would be carried out.

Preussag stays in the black

BY GUY HAWTIN

FRANKFURT, March 11.

PREUSSAG remained in profit during the final quarter of 1975 despite measurable setbacks in the coal, construction, fire protection and aluminium sectors. Despite a year of continued difficulties in these sensitive sectors, earnings have been such that the executive Board expects to maintain its dividend.

This is good news for Preussag shareholders who for 1974 received their first dividend in four years. They received a modest 7 per cent., or DM7 per DM100 nominal share.

A circular to shareholders and employees, published to-day said that, after taking into account "the extraordinary expenditure" during the year and the earnings position, it was expected that profits would permit the dividend to be maintained. The actual decision would be taken at a meeting of the supervisory Board early in May.

The Hanover-based group remained in the black despite heavy falls in turnover in a number of sectors. Gross turnover fell back by 7.9 per cent. from the previous year's DM3.1bn. (£630.4m.) to DM2.86bn. (£582m.) while external turnover fell slightly less steeply—dropping 6.7 per cent. from DM2.61bn. to DM2.44bn.

The heaviest fall in business during the year was registered in the group's production and trading of heavy and precious metals. Turnover was off by 22.7 per cent., falling from 1974's DM1.15bn. to DM887m. However things would appear to have improved somewhat in the final quarter for the year's average decline was substantially lower than the 26 per cent. recorded in the first three quarters.

In the aluminium sector the price stabilised at an unsatisfactorily low DM200 per 100 kilogrammes, said the report. Under-utilisation of capacity, coupled with high metal stocks, hit earnings hard throughout the aluminium sector. In the coal sector demand fell by 19.4 per cent. compared with the 1974 figures, while oil demand dropped from 638,959 tonnes to 599,238 tonnes. Natural gas sales in cash terms lay 2 per cent. under the previous year's level.

Otto sales beat average

BY GUY HAWTIN

FRANKFURT, March 11.

OTTO VERSAND, of Hamburg, one of West Germany's leading mail order houses, broke through the DM2bn. (£407m.) sales barrier for the first time in the 1975-76 business year which ended on February 28. Earnings, said a preliminary report, remained healthy in the face of extraordinary pressure on costs and hard priced competition, while prospects for the coming spring and summer season were good.

Group turnover went up by 13.2 per cent., comfortably surpassing the anticipated 10 per cent. annual growth rate. Otto's 1975-76 performance was also well in excess of the industry's average 7 per cent. turnover increase.

The area which showed the most rapid rate of sales growth was the mail order branch. Here turnover rose by 15.9 per cent. to DM1.77bn. (£360m.). Sales went up more slowly in the stores division, but still remained above the sector's average 8.5 per cent. growth rate.

Holmens invests in new plant

BY WILLIAM DULLFORCE

STOCKHOLM, March 11.

HOLMENS BRUK, Europe's largest newsprint manufacturer, proposes to make a bonus issue of one-for-two, increasing its share capital by Kr.82.1m. to Kr.246.2m. (£29m.), after a fall of close to 20 per cent. in pre-tax earnings for 1975 and a proposed dividend of Kr.10 per share against Kr.13 on a smaller equity for 1974. The reserve fund is to be increased at the same time by Kr.11m. to Kr.46m.

Holmens, which is investing heavily in a major new pulp and paper plant, made a double bonus and rights issue last year, so that, if the recommended new bonus issue is accepted, the concern will have more than doubled shareholders' equity in two years.

Paper production fell by 10 per cent. to 633,000 tons last year, mainly due to the weakening of demand in the foreign markets, including Britain, which took two-thirds of output. The company anticipates considerably lower profits this year, but an upturn in the market during the second half should lay the ground for an improvement in earnings in 1977.

If Holmens' predictions come out right, its new plant at Braviken, which entails an investment of some Kr.600m. (£70m.), should come into operation under favourable market conditions at the end of 1977. It will have a capacity of 280,000 tons thermo-mechanical pulp and 170,000 tons newsprint, all aimed at export markets. During the seventies, Holmens expects to invest about Kr.1bn. (£118m.) in expansion with the narrow newsprint and printing paper sector. Its share price rose by 85 per cent. on the Stockholm Exchange last year.

Stora Kopparberg drop

BY WILLIAM DULLFORCE

STOCKHOLM, March 11.

STORA KOPPARBERG, the Swedish forestry industry and steel conglomerate, shows a drop in pre-tax earnings from Kr.411m. to Kr.60m. (£7m.) on its 1975 operations after a 9 per cent. decline in turnover to Kr.3.27bn. (£385m.). According to the preliminary report, the steel sector had a trading loss of Kr.96m. against a profit of Kr.172m. in 1974, while the forestry industry sector profits dropped from Kr.472m. to Kr. 391m. The group's other operations improved trading profits from Kr.58m. to Kr.103m.

The Board proposes to pay an unchanged dividend of Kr.12 per share and forecasts an improvement in both demand and prices this year, in particular towards the end of the year. The order stock at the end of 1975, however, was about 30 per cent. lower than it was a year earlier.

The pre-tax figure is improved by a net income from extraordinary items of Kr.45m., stemming chiefly from the sale of shares in KemaNord, the Swedish chemicals company. This contrasts with a loss of Kr.111m. under the same item in 1974, prompted mainly by a one-time allocation of Kr.93m. to the pensions fund. Earnings before tax and appropriations for 1975 then come out at Kr.105m. against Kr.300m. in 1974.

The weakening demand for the group's products seems to have reached bottom in the Autumn, the report states. Steel and timber prices fell in line with the decline in demand but pulp and newsprint prices remained high. Manufacturing costs, spurred by wage increases and lower capacity utilisation, rose across the whole range.

Swedish pension fund row

BY WILLIAM DULLFORCE

STOCKHOLM, March 11.

SWEDEN'S NATIONAL Pensions Fund is to increase its controversial purchases of shares in private Swedish companies. By a vote of 154 against 153, the Swedish Parliament to-day authorised the fund to double from Kr.500m. to Kr.1bn. (£118m.) the sum it can use for buying shares. In the same vote the Social Democrats and Communists rejected a motion by the non-Socialist parties to limit the fund's holdings in any one company to 5 per cent. of the voting rights.

One member of the Liberal party failed to hear the voting bell. Otherwise there would have been a tied vote and the pension fund's further share activities would have been determined by a drawing of lots.

By the end of last year the fund had invested Kr.435m. of the Kr.500m. it was authorised to use in 23 companies. Volvo, L. M. Ericsson and AGA shares accounted for 52 per cent. of the value of the portfolio, which amounted to Kr.453m. at the year's end.

Over the year the value of the fund's portfolio increased by 30.5 per cent. compared with a 29 per cent. rise in the general index of Affarsvariden, the financial weekly.

Mosbert winding [...] order

SUPREME COURT Jud[...] mon Li to-day ordered [...] Holdings, Ltd., a Hong [...] registered company, to [...] its operations. The peti[...] winding up the compa[...] filed by Fai Insurances, [...] Sydney, Australia, in Ja[...]

Andrew Lee, represen[...] Australian company, [...] court that Mosbert Holdi[...] his client $HK9m. ($US[...]

Anthony Dicks, repr[...] Moscow Narodny Bank [...] pore, said he is claiming [...] bank $4,150,716 from [...] Holdings.

Before Li ordered the [...] up of the company, [...] representing Mosbert [...] Company asked the cou[...] journ the hearing. Th[...] said Mosbert Financ[...] 134m. shares of Mosbe[...] ings. Both Fai Insur[...] Narodny Bank objecte[...] request. Dicks said an[...] ment would further c[...] the matter and would [...] to Mosbert Holdings' c[...]

AP-DJ

Kubota see[...] 10% lift in profits

TOKYO, M[...]

KUBOTA is to make a [...] scrip issue to be all[...] shareholders as of [...] raising its capital to [...] from the present Y53.[...]

The capital is ex[...] increase slightly more [...] of its convertible deben[...] be converted into [...] stocks, Kubota said.

Kubota said that its [...] tax profit for the secon[...] to April 30 might in[...] 10 per cent. to Y1[...] Y10.05bn. in the first [...]

Its gross sales are [...] increase by 9 per [...] Y213bn. from Y195.5b[...] before tax and special [...] remain little chang[...] Y18.4bn.

It will pay a dividen[...] per share for the se[...] unchanged from the in[...] dend paid for the first [...]

Kubota also said [...] hoping to make an[...] distribution in April [...]

It said that its sal[...] pipes and environmen[...] ment for processing [...] water and industrial w[...] increasing, while tho[...] products, machine[...] internal combustion [...] were at about the sa[...] in the first half-year.

Reuter

McIlwrait[...] earnings u[...]

By James Forth

SYDNEY, [...]

JOHN MCILWRAITH [...] currently involved i[...] versial attempt to a[...] Australian hardwa[...] Lloyds Holdings, st[...] covery in earnings in [...] ber half-year. Pro[...] per cent. from $A[...] $A908,000, but this is [...] the $A1.24m. earned [...] half of 1973-74.

McIlwraith directo[...] fended themselves ag[...] by Lloyds that its [...] was "completely inad[...] a statement, McIlwra[...] the merits of the [...] McIlwraith's lowest m[...] over the past three [...] offer is worth $A2.19 [...] above Lloyds' lowest [...] period. On McIlwrai[...] price, the offer is w[...] or $A1.38 above Lloy[...] price.

SELECTED EURODOLLAR BOND PRICES
MID-DAY INDICATIONS

STRAIGHTS	Bid	Offer
Aquitaine 10pc 1985	102½	103½
Ashland 8pc 1987	94½	95½
Austraswiss 8pc 1987	93	94
Borregaard 8½pc 1989	95½	96½
Broken Hill 10pc 1990	104	105
Carrier 8pc 1987	92	93
Conoco 8pc 1998	98¾	99¾
Consol. Foods 7¾pc 1991	90¾	91¾
Cutler Hammer 8pc 1987	94¾	95¾
Elb 9¾pc 1983	102¾	103¾
Emp 9½pc 1985	102½	103½
Esso 8pc 1986 Nov.	100½	101½
General Cable 8¾pc 1987	91	92
General Motors 8½pc 1986	102½	103½
Grangex 9¾pc 1985	100½	101½
GTE 8¾pc 1986	99	100
New Zealand 9¾pc 1982	103	104
Pacific Light 8pc 1988	95½	96½
Prov. of Quebec 7½pc 1990	91	92
Quebec Hydro 8¾pc 1989	98½	99½
Queensland 8¾pc 1987	93	94
Scanraff 8¾pc 1985	98	99
Shell 8pc 1986	99½	100½
Stand. Oil (Ind.) 8¾pc 1988	101	102
Tenneco 7¾pc 1987	89½	90½
Transocean 8pc 1986	99	100
Utah 8pc 1987	94½	95½
Volvo 9¾pc 1985	100½	101½

NOTES	Bid	Offer
Air France 9¼pc 1982	102½	103½
Ardal 9¾pc 1980	102½	103½
Australia Ind. 10¼pc 1981	103¼	104¼
Barclays 8¾pc 1982	100	101½
Cie Nat. Rhone 10pc 1982	103¼	104¼
Du Pont 7½pc 1978	100½	101½
Esso 7¾pc 1978	101	102
General Motors 8¾pc 1976	100	101
Montreal 9¾pc 1981	102	103
Nippon Steel 9¾pc 1980	101¾	102¾
Norway 9pc 1980	103½	104½
Skandinaviska E. 10¾pc '81	105½	106½
Source: White Weld Securities.		
CONVERTIBLES		
American Express 4¾pc '87	82½	84½
Ashland 5pc 1988	81	83
Beatrice Foods 4¾pc 1992	94	96
Beatrice Foods 4⅞pc 1992	98	100
Borden 5pc 1992	95	97
Broadway Hale 4¾pc 1987	76	78
Canon Camera 7¾pc 1989	115	117
Carnation 4pc 1987	82	84
Chevron 5pc 1988	101	103
Dart 4¾pc 1987	89	91
Eastman Kodak 4½pc 1988	118	120
Economic Labs. 4¾pc 1987	91	93
Fed. Dept. Stores 4¾pc '85	117	119
Firestone 5pc 1988	95	97

	Bid	Offer
Ford 5pc 1988	97	99
Ford 5pc 1986	88	90
General Electric 4¾pc 1987	87	89
Gillette 4¾pc 1987	81	83
Gould 5pc 1987	89	91
Gulf and Western 5pc 1988	102	104
Harris 5pc 1992	94	96
Honeywell 6pc 1986	83	85
ITT 4¾pc 1987	77	79
Komatsu 7¾pc 1990	102½	104
J. Ray McDermott 4¾pc '87	118	120
Mitsubishi Elec. 7¾pc 1991	103½	105
Mitsui 7¾pc 1990	102	103½
J. P. Morgan 4¾pc 1987	107	109
Nabisco 5¾pc 1988	91	93
Owens Illinois 4¾pc 1987	99½	101½
J. C. Penney 4¾pc 1987	84	86
Pioneer 8¾pc 1989	250	
Revlon 4¾pc 1987	100	102
Reynolds Metals 5pc 1988	87	89
Sperry Rand 4¾pc 1987	99	101
Squibb 4¾pc 1987	81	83
Texaco 4¾pc 1988	76	78
Toshiba 6¾pc 1992	104½	106
Union Carbide 4¾pc 1982	130	132
Warner Lambert 4½pc 1987	92	94
Warner Lambert 4¾pc 1988	82	84
Xerox 5pc 1988	77	79
Source: Kidder Peabody Securities.		

هكذا من الأصل

BANK OF AMERICA
NATIONAL TRUST AND SAVINGS ASSOCIATION

World Value of the Dollar

The table below gives the latest available ...s of exchange for the U.S. dollar against ...ous currencies as on Wednesday, March ... These exchange rates have been compiled ... Bank of America NT & SA's world-wide ...work of branches from various sources. ...ange rates listed are middle rates between ...ng and selling rates as quoted between ...s. Where a multiple exchange rate system ... operation (m), the rate quoted is the ...mercial rate unless otherwise indicated. ... currencies are quoted in foreign currency units per one U.S. dollar except for U.K. sterling (and those currencies at par with sterling) which is quoted in dollars per sterling unit. These rates are asterisked.

All rates quoted are for indication purposes only and are not based on, and are not intended to be used as a basis for, particular transactions. By quoting the following exchange rates, Bank of America NT & SA does not undertake to trade in all listed foreign currencies and does not assume any responsibility for any errors in the table below.

...s of America
...dollar Libor as of March 11 at 11:00 a.m.
3 months: 5½ 6 months: 6⅛

SDR1=$US1.16041

...ntry	Currency	Value of DLR
... & Issas ..	Djibouti Franc	168.6681
...nistan ...	Afghani (o)	45.30
...ia	Lek (m)	5.83
...a	Dinar (a)	3.9789
...ra	Fr. Franc	4.5330
	Sp. Peseta	66.81
...a	Ang. Escudo	28.21
...ua	E. Caribbean $	2.4958
...tina	Ar. Peso (m)(†)	140.00
...lia	Australian $	0.8008
...a	Schilling	18.45
...	Port. Escudo	28.21
...mas	Ba. $	1.00
...adesh	Taka	14.9281
...in	Dinar	0.3958
...ic Is.	Sp. Peseta	66.81
...dos	Barbados $	2.0025
...m	B. Franc (m)	39.44
	B $	2.0708
	C.F.A. Franc	226.65
...da	Bda. $	1.00
	Indian Rupee	9.1074
	Bolivian Peso	20.20
...ana	S. A. Rand	0.8695
	Cruzeiro	9.5150
...mon. Is.	Australian $	0.8008
...gin Is.	U.S. $	1.00
	Brunei $	2.4875
...ia	Lev	0.96
	Kyat	6.5695
...di	Burundi Franc	78.50
...dia	Riel (a)	10.080.0
...oun Rp.	C.F.A. Franc	226.65
...a	Canadian $	0.9835
...y Is.	Sp. Peseta	66.81
Verde Is.	Cape V. Escudo	28.21
...an Is.	Cay. Is.$	0.8350
...Af. Rp.	C.F.A. Franc	226.65
	C.F.A. Franc	226.65
	Ch. Peso (m)	10.75
	Renminbi Yuan	1.9564
...bia	Col. Peso (m)	33.7850
...os I'ds	C.F.A. Franc	226.65
(B'ille)	C.F.A. Franc	226.65
...Rica	Colon	8.57
	Cuban Peso	0.8259
	Cyprus £	0.4033
...slovakia	Koruna (m)	6.0836
...ark	Danish Krone	6.1632
...ica	E. Caribbean $	2.4958
... Rep.	Domin'cn Peso	1.00
...or	Sucre (o)	25.00
	Egyptian £ (o)	0.3905
...ia	Ethiopian $	2.0555
...Guinea	Peseta	66.81
...nd Is.	Falkland Is £*	1.9232
...Is.	Danish Krone	6.1572
	Fiji $	0.9000
...d	Markka	3.9365
	French Franc	4.5330
...'tr'm Af.	C.F.A. Franc	226.65
...iana	Local Franc	4.5330
...ac. Is.	C.F.P. Franc	88.00
	C.F.A. Franc	226.65
...a	Dalasi	2.0795
...ny (E)	Ostmark (m)	2.5702
...ny (W)	Deutschemark	2.5702
	Cedi	1.1575
...tar	Gibraltar £*	1.9232
...Le.		
...Ellice Is.	Aust. $	0.8008
	Drachma	35.372
...and	Danish Krone	6.1632

Country	Currency	Value of DLR
Grenada	E. Caribbean $	2.4958
Guadeloupe	Local Franc	4.5330
Guam	U.S. $	1.00
Guatemala	Quetzal	1.00
Guinea Rep.	Sily	20.20
Guinea Bissau	Peso	28.21
Guyana	Guyanese $	2.5712
Haiti	Gourde	5.00
Honduras Rep.	Lempira	2.00
Hong Kong	H.K. $	4.9940
Hungary	Forint (m)	21.69
Iceland	I. Krona	172.90
India	Ind. Rupee	9.1074
Indonesia	Rupiah	415.0
Iran	Rial	69.375
Iraq	Iraq Dinar	0.2961
Irish Rep	Irish £*	1.9232
Israel	Israel £	7.35
Italy	Lira	799.00
Ivory Coast	C.F.A. Franc	226.65
Jamaica	Jamaican $	0.9091
Japan	Yen	301.25
Jordan	Jds. Dinar	0.339
Kenya	Ken. Shilling	8.3415
Korea (Nth.)	Won (a)	0.94
Korea (Sth.)	Won	484.0
Kuwait	Kuwait Dinar	0.2940
Laos	Kip (a)	5.000.0
Lebanon	Lebanese £	2.4650
Lesotho	S. African Rand	0.8695
Liberia	Liberian $	1.00
Libya	Libyan Dinar	0.2961
Liechtenst'n	Swiss Franc	2.5750
Luxembourg	Lux. Franc (m)	39.44
Macao	Pataca	6.6204
Madeira	Port. Escudo	28.21
Malagasy Rp.	MG Franc	226.65
Malawi	Kwacha	0.9146
Malaysia	Malaysian $	2.5605
Maldive Is.	Mal. Rupee	7.7626
Mali Rp.	Mali Franc	453.30
Malta	Maltese £	0.4272
Martinique	Local Franc	4.5330
Mauritania	Ouguiya	[illegible]
Mauritius	M. Rupee	6.5462
Mexico	Mexican Peso	12.4906
Miquelon	C.F.A. Franc	226.65
Monaco	French Franc	4.5330
Mongolia	Tugrik (m)	3.3555
Montserrat	E. Caribbean $	2.4958
Morocco	Dirham	4.3105
Mozambique	Moz. Escudo	28.21
Nauru Is.	Aust. $	0.8008
Nepal	Nepalese Rupee	12.325
Netherlands	Guilder	2.6872
Neth. Ant'les	Antillian Guild	1.80
New Hebrides	Aust. $	0.8008
	Fr. Franc	4.5330
N. Zealand	NZ $	0.9750
Nicaragua	Cordoba	7.02625
Niger Rp.	C.F.A. Franc	226.65
Nigeria	Naira	0.6222
Norway	Nrwg. Krone	5.5515
Oman, Sultanate of	Rial Omani	0.3454
Pakistan	Pkst. Rupee	9.9945
Panama	Balboa	1.00
Panama Canal Zone	U.S. $	1.00
Papua N.G.	Kina	0.5806

Country	Currency	Value of DLR
Paraguay	Guarani (m)	126.0
P'ple D. Rp. of Yemen	S. Yemen Dinar	0.3454
Peru	Sol	45.0
Philippines	Ph. Peso	7.4643
Pitcairn Is.	NZ $	0.9750
Poland	Zloty (m)	19.90
Portugal	Port. Escudo	28.21
Port Timor	Timor Escudo	28.21
Principe Isle	Port. Escudo	28.21
Puerto Rico	U.S. $	1.00
Qatar	Qatar Ryal	3.9710
Reunion Ile de la	French Franc	4.5330
Rhodesia	Rhd. $	0.617
Romania	Leu	5.28
Rwanda	Rwanda Franc	92.84
St. Christopher	E. Caribbean $	2.4958
St. Helena	£ Sterling*	1.9232
St. Lucia	E. Caribbean $	2.4958
St. Pierre	C.F.A. Franc	226.65
St. Vincent	E. Caribbean $	2.4958
Salvador El	Colon	2.50
Samoa (Am)	U.S. $	1.00
San Marino	Italian Lira	799.4
Sao Tome	Port. Escudo	28.21
Saudi Arabia	Ryal	3.5353
Senegal	C.F.A. Franc	226.65
Seychelles	S. Rupee	6.9311
Sierra Leone	Leone	1.0397
Singapore	Singapore $	2.4855
Somali Rep.	Som. Shilling	6.2950
Sth. Africa	Rand	0.8695
S.W. Africa Territories	S.A. Rand	0.8695
Spain	Peseta	66.81
Span. Ports in N. Africa	Sp. Peseta	66.81
Sri Lanka	S.L. Rupee	7.7626
Sudan Rp.	Sudan £	0.3482
Surinam	S. Guilder	1.80
Swaziland	Emalangeni	0.8695
Sweden	S. Krona	4.3960
Switzerland	Swiss Franc	2.5780
Syria	Syria £	3.8750
Taiwan	New Taiwan $	37.97
Tanzania	Tan. Shilling	8.3415
Thailand	Baht	20.40
Togo Rp.	C.F.A. Franc	226.65
Tonga Is.	Pa'anga	0.7203
Trinidad	Trin. & To'go $	2.4058
Tunisia	Tunisian Dinar	0.4259
Turkey	Turkish Lira	15.15
Turks & C's	U.S. $	1.00
Uganda	Ug. Shilling	8.3415
Utd. Kingdom	£ Sterling*	1.9232
Un'd A'b Emir	UAE Dirham	3.9440
USSR	Rouble	0.7535
Upper Volta	C.F.A. Franc	226.65
Uruguay	Urug. Peso (m)	2.955
Vatican	Italian Lira	799.0
Venezuela	Bolivar (m)	4.29
Vietnam (N)	Dong (a)	2.28
Vietnam (S)	Piastre (a)	2.25
Virgin Is. U.S.	U.S. $	1.00
Western Samoa	Samoan Tala	0.6086
Yemen	Ryal	4.56
Yugoslavia	New Y. Dinar	18.08
Zaire Rp.	Zaire	0.500
Zambia	Kwacha	0.6425

... Not available. (m) Multiple exchange rate system, commercial rate listed. (a) Approximate rate. (o) Official rate. * dollars per sterling unit. † Argentine peso: effective March 5, 1976. Exchange rate system [illegible] now.

NORTH SEA OIL REVIEW — BY RAY DAFTER

Encouraging ripples from an eventful fortnight

TWO SIGNIFICANT exploration wells just completed provide encouraging evidence that there is still a good deal more oil to be found in the North Sea. The first of these was on the Ranger Oil concession, block 23/27, some 160 miles east of Aberdeen: the second, announced on Wednesday, was on the Pan Ocean group's Brae Field on 16/7.

For Ranger, it was a case of third time lucky. The first two wells, drilled by the three partners in the concession—Ranger, Scottish Canadian Oil and Transportation (SCOT), and International Utilities—were apparently dry. The third, involving only Ranger and SCOT, seems to have found the structure they were looking for.

What was described as a "thick oil-bearing sandstone reservoir" yielded a flow of more than 3,000 barrels a day through a restricted choke. Some industry estimates indicate that so far some 30m. to 40m. barrels of recoverable reserves have been identified by the test.

Ranger, obviously encouraged by these results, is planning a further drilling programme to appraise fully the commercial significance of the discovery. At least two more wells will probably be needed to test the structure.

An interesting feature of this find is that it is primarily an oilfield rather than a gas-condensate pay zone like the neighbouring Cod and Lomond fields. As such, it is the first oil discovery in that part of the North Sea.

No doubt the Ranger result will have encouraged British Petroleum which, on February 20, began drilling on the neighbouring block, 23/26. BP is hoping that its semi-submersible rig, Sea Quest, will find a completely separate reservoir. The fact that BP has relinquished its licence on only part of block 23/26 would indicate that there is something there worth exploring.

It is unlikely, however, that the finds will measure up to the size of Brae. Tests on the first appraisal well on block 16 indicate that the field is a bright prospect although reports in some quarters that the find could be the biggest in the North Sea—even bigger than the Anglo-Norwegian Statfjord Field—seem to be wildly optimistic at this stage.

Nevertheless, the results do indicate that Brae could be one of the biggest fields in the U.K. North Sea with recoverable reserves of perhaps 1bn. barrels or more. According to Wood, Mackenzie, the results of the first well proved the existence of some 350m. barrels of oil and 1 trillion (million million) cubic feet of gas. The appraisal well tests indicate that the reserve potential could be nearer 800m. to 1bn. barrels of oil and 2 to 3 trillion cubic feet of gas. It is understood, however, that the partners are hopeful of proving even larger reserves.

The latest results certainly look encouraging. The well encountered a continuous gross pay interval of about 1,000 feet: Jurassic sandstone was encountered at 11,806 feet and was still present at the total well depth of 13,655 feet.

Further drilling is to be undertaken, starting again later this year, but it now seems that Brae is predominantly an oil field rather than a gas find with associated oil. The discovery well early last year found a gas oil ratio of 3,000 cubic feet a barrel in the lower part of the tested zone and up to 7,000 cubic feet a barrel in the higher region. These results added weight to the theory that Brae might be a gas field. But the most recent tests indicated gas/oil ratios ranging from 1,100 to 1,700 cubic feet per barrel.

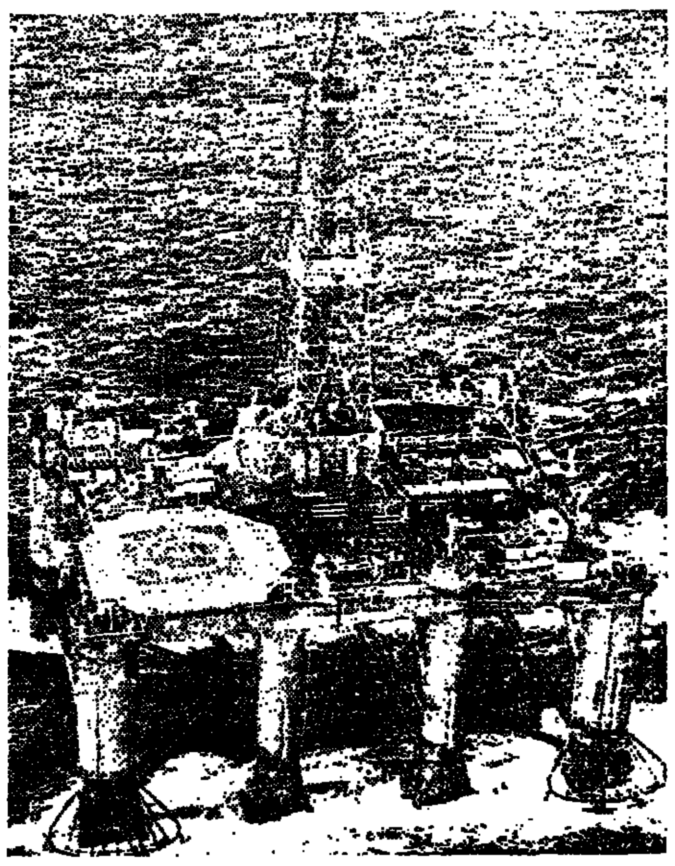
The presence of this large volume of gas will probably add considerably to production costs once the field is declared commercial. A pipeline will have to be installed to transport the gas to the Scottish mainland, some 160 miles away, although it is possible that the line could be used as a trunk system, collecting gas from other structures which might be proved in that area. As it is, the development of the field is likely to be expensive. For it is long and thin, and several production units will be required. The funding of this operation could prove an interesting exercise for the partners—Pan Ocean (32 per cent.), Bow Valley (28 per cent.), National Coal Board (20 per cent.), Sunningdale Oils (8 per cent.), Siebens Oil and Gas (8 per cent.) and Saga Petroleum (4 per cent.).

The Brae results top what has been an eventful fortnight for the British National Oil Corporation. The oil side of the NCB is the Corporation's first subsidiary: now it is learned that Burmah Oil Development is to be taken into the fold with the BNOC having a controlling interest. The deal, currently being negotiated, appears to be the typical British compromise. Burmah retains its link with North Sea exploration and development—albeit a more tenuous one—while the BNOC fulfils its ambition of building up staff and expertise. The Corporation will take effective control of the 250 Burmah Oil Development staff and the new company will have the responsibility of being the operator for the Thistle Field.

In addition, the BNOC has acquired all Burmah's assets in the Ninian Field. The latest appraisal well here indicated that recoverable reserves are much nearer the 1.2bn. barrel mark quoted by Chevron as operator, than the 840m. to 980m. barrels being talked about by British Petroleum. On top of Ninian, the BNOC has been given a majority say in Statfiord (U.K.), Hutton and Murchison, and a major stake in the Thistle and Dunlin fields through the participation deal with Continental Oil and Gulf.

Further participation agreements are in the pipeline, but already the BNOC has the prospect of having 15m. to 20m. tons of oil to its name by the early 1980s (assuming that royalties are taken in kind). What the Corporation plans to do with this oil is still a matter of conjecture. Neither Lord Kearton, its chairman, nor Mr. Anthony Wedgwood Benn, the Energy Secretary, will be drawn although it is known that the BNOC has been approached about having some involvement in one or more oil refineries.

Siebens Oil and Gas, another group with interests in Brae, should be testing its third well on 2/10 about this time. The company would only confirm that operations are now below 9⅝ inches casing depth. The results will be watched with a good deal of interest in the industry. The previous well, plugged and abandoned as a dry hole, was a considerable disappointment to the Siebens exploration group after what was described as a "highly encouraging" first well.



Dundee Kingsnorth, claimed to be the first independent British-owned and operated rig in the North Sea. On charter to the Conoco exploration group, it has now been moved from block 29/19 after an unsuccessful test to a new location a few miles away to make a second attempt to find a prospective oil-bearing structure.

Unsuccessful

After an unsuccessful test on block 29/19, the Conoco exploration group has moved its operations a few miles away. Its chartered semi-submersible rig, Dundee Kingsnorth—proclaimed as the first independent British-owned and operated rig in the North Sea—is thus making a second attempt at finding a prospective oil-bearing structure.

The block is thought to contain a 300-feet layer of upper Jurassic sandstone which, if proved, might yield recoverable reserves of the order of 300m. barrels. The first well appears to have missed the structure.

Nearby, on 29/2, Placid Oil and Caledonian Offshore seem to have encountered one technical problem after another. The well, which has now been side-tracked, was started on September 17, and as yet there is no real sign of an end of operations. The Venture 1 semi-submersible rig is still drilling what could prove to be the lengthiest test—and one of the most expensive—in the North Sea. Indeed, it is quite possible that the well may end up costing in the region of $10m. According to industry reports Placid apparently discovered high pressure gas in deep Jurassic sands, but the significance of this find is not yet apparent.

Shell is using Ocean Voyager to drill a second well on the Seagram Corporation group's 14/24 block, close to the Claymore and Piper fields. As with a previous operation, the cost of the well is being shared between Shell (which, with Esso, has adjoining acreage) and the Seagram group. So far, only non-commercial shows of very heavy oil are believed to have been encountered on the block. The Shell/Esso group is also drilling two wells in quadrant 211, including an appraisal of the Cormorant Field on 211/21.

At present there are 21 rigs being operated in U.K. offshore waters, although this number should soon increase with the onset of better weather. Nevertheless, it is thought that the average this year will not be much above 24 or 25 against last year's average of 27.

Lean time

This forecast level of activity cannot give much comfort to rig owners, who are having a lean time at present not only in the North Sea but world-wide. It is estimated that between 70 and 80 rigs, a dozen or so of which were earmarked for the North Sea, are lying idle throughout the world. Consequently, charter rates, as high as $35,000 a day two years ago, are now said to be between $18,000 and $25,000 a day on the spot market. This must come as some consolation to offshore operators who are faced with escalating costs in virtually every other respect.

RIG MOVEMENTS OFFSHORE THE U.K.

GROUP	RIG	BLOCK	GROUP	RIG	BLOCK
Amoco	Sedco 135F	211/27-6	Pan Ocean	Odin Drill	16/7-3
Amoco	Sedco 135G	29/18-1	Phillips	Gulf Tide	49/11-1
BP	Sedco 703	211/12-3	Phillips	Ocean Rover	15/27-1
BP	Sea Quest	23/26-1	Placid	Venture 1	29/2-1 (sidetrack)
Chevron	Ocean Kokuei	3/7-1	Ranger	Sedneth 701	23/27-3
Conoco	Britannia	49/12FD3	Shell	Ocean Voyager	14/24-2
Conoco	Norjarl	9/19-2	Shell	Sedco 700	211/23-5
Conoco	Dundee Kingsnorth	29/19-1	Shell	Stadrill	211/21-5
Conoco	Pentagone 82	211/19-5	Siebens	Western Pacesetter	2/10-3
Mobil	Sedco 704	9/13-12	Texaco	Zephyr 1	15/16-6
Occidental	Ocean Victory	Piper	Texaco	Drillmaster	15/16-7
Occidental	Borgny Dolphin	Piper	Total	Zapata Ugland	3/9a-2
			Trans Ocean	Penrod 71	15/8-1

Print staff to take pay cuts

THE 215 employees of Alden and Mowbray, the Oxford printers, are to take a 5 per cent. pay cut which will save the company £600 a week.

All employees, including the managing director, Mr. Douglas Baker, are to take an average £3 a week cut, at least for the next 13 weeks.

For members of the two print unions, the National Graphical Association and the Society of Graphic and Allied Trades, it will be done by adjusting a bonus scheme.

Sherwood Zoo to be wound up

A WINDING-UP order has been made against Nottingham's Sherwood Leisure Centre, which runs Sherwood Zoo at Hucknall.

An official receiver yesterday visited the zoo to take an inventory and it is believed that the company's business affairs are being examined. The order was issued after a petition for non-payment of £251 was presented by Gibson Waste Company, of Mapperley.

The zoo's director, Mr. Martin Lacey, was unavailable for comment. Several lions and some hunting dogs are thought to be still being kept at the zoo, which is now closed to the public.

Flats go-ahead

LEICESTER CITY planning committee has approved a plan to convert the empty Imperial Typewriter main works in East Park Road into 200 flats.

BANK RETURN

	Wednesday Mar. 10 1976	Inc. (+) or dec. (−) for week
BANKING DEPARTMENT		
LIABILITIES	£	£
Capital	14,553,000	—
Public Deposits	17,235,[illegible]	− 1,430,012
Special Deposits	974,[illegible]	− 270,[illegible]
Bankers	331,[illegible]	− 11,746,[illegible]
Reserves & Other Accs	391,056,39[illegible]	− 15,580,9[illegible]
	1,725,151,151	+ 2,042,7[illegible]
ASSETS		
Govt. Securities	1,369,066,[illegible]	− 17,727,[illegible]
Advance & Other Accs	245,724,973	− 16,[illegible]
Premises, Equipt & other Secs.	87,671,651	− 57,[illegible]
Notes	15,453,288	+ 583,1[illegible]
Coin	454,767	− 7,9[illegible]
	1,725,151,137	+ 2,042,7[illegible]
ISSUE DEPARTMENT		
LIABILITIES	£	£
Notes Issued	6,100,000,000	+ 25,000,000
In Circulation	6,084,[illegible]714	+ 24,416,[illegible]
In Bank's Dept.	15,453,288	− 583,1[illegible]
ASSETS		
Govt. Debt	11,015,100	
Other Govt. Secs.	5,272,721,476	+ 41,[illegible]
Other Securities	816,[illegible]424	− 16,700,[illegible]
	6,100,000,000	+ 25,000,000

WALL STREET + OVERSEAS MARKETS + FOREIGN EXCHANGES

Further resistance to 1,000 level

BY OUR WALL STREET CORRESPONDENT

NEW YORK, March 11.

RESISTANCE TO the 1,000 level on the Dow Jones Industrial Average continued on Wall Street to-day, when the market again eased from the best.

After rising 4.36 to 999.84 in the first hour, the Industrial Average came back to 996.77 by 1 p.m., for a net gain of 1.49. The NYSE All Common Index improved 12 cents to $54.09, while the trading volume expanded 3.15m. shares to 14.63m. compared with 1 p.m. yesterday.

Analysts generally attribute the market's strength, which has amounted to roughly 150 points on the DJIA since the beginning of the year, to optimism about the outlook for the U.S. economy.

Closing prices and market reports were not available for this edition.

Mr. William Simon, Treasury Secretary, said earlier in the week that the economy was recovering faster than expected.

But it appeared that some investors turned somewhat cautious ahead of the Weekly Banking figures to be released late in the afternoon. The banking statistics often provided a clue to trends in U.S. monetary policy and interest rates.

Air Products and Chemicals rose $3 to $82½.

International Minerals and Chemicals moved ahead $1¾ to $42, **Marcor** $1¾ to $32¾, **Bendix** $1¾ to $61, **Stauffer Chemical** $1 to $102½, **IBM** $1 to $262¾, and **Ingersoll-Rand** $1½ to $89¾.

Motors were firm, while Oils followed a mixed pattern.

Trinity Industries gained $1¾ to $33¾, following a 100 per cent. stock dividend and a raised quarterly dividend.

Travelers improved $1 to $32, as did **Sears, Roebuck** to $74¾ and **Blue Bell** to $47.

Superscope were down $1½ to $36¼.

Central and South West eased $¼ to $14¾, following a block of 430,000 shares. **Sony** were up $¼ to $10 to 232,200 shares, while **Amax** rose $¼ to $52¾ on 58,700 shares.

Petrie Stores moved ahead $1 on a raised dividend.

The American SE Market Value Index rose 0.13 to 104.87, while the volume decreased 60,000 shares to 1.78m.

Denison Mines added $½ at $60½—it is anticipating high demand for uranium in coming years.

Northern Telecom moved up $1¼ to $35½, **Pan Canadian Petroleum** $¼ to $22 and **Dominion Bridge** $1½ to $52.

Massey-Ferguson improved $¾ to $30½ on sharply higher first quarter earning.

PARIS—Irregular after heavy trading, reflecting the present monetary fluctuations.

Banks, Mechanicals, Oils and Chemicals mostly slipped back, but Motors, Constructions, Electricals, Stores and Metals did well.

Comptoir des Entrepreneurs improved after reporting a 1975 profit against a 1974 loss.

In the Foreign section, Americans and Germans improved, but Belgians weakened, while International Oils were slightly better.

BRUSSELS—Mixed after active trading.

Steels were mostly higher, non-*ferrous Metals mixed to lower*, Chemicals steady. Electricals and Utilities gained ground. Holdings firmed, while Oils advanced.

U.S. shares moved up. South African Gold Mines followed a higher gold price, Germans improved. French shares firmed, while Dutch issues finished steady.

AMSTERDAM — Market advanced virtually across the board.

Royal Dutch moved up Fls.2.3 to 122.5, ahead of its final dividend and figures for 1975.

Banks were mixed.

Most State Loans firmed.

GERMANY—Higher in lively trading, following large buying orders from both domestic and foreign investors.

Gains were mostly up to DM5, although **Daimler** advanced DM12 and **Karstadt** DM10.

In Steels, **Thyssen** put on DM2.7 on its unchanged DM7 dividend for 1975. **Mannesmann** gained DM3.30.

Dresdner Bank put on DM3.50.

Leading *Electricals* moved up, although **AEG** eased. Chemicals rose between DM1 and DM2.50.

Domestic Bonds firmed, with the Bundesbank selling DM2.8m. nominal of stock. Foreign Marks Loans were slightly easier.

SWITZERLAND — Generally slightly higher, although the volume continued restricted.

Interest centred on local Industrials, while Banks and Insurances remained neglected.

Alusuisse Bearer firmed on foreign buying.

Dollar stocks improved in fairly active dealings, Dutch Internationals were very steady, while Germans showed minor gains.

MILAN—Mixed after failing to follow through Wednesday's firmer trend.

Bonds were lower.

OSLO—Banks were well maintained, Insurances easy, while Industrials and Shippings were quiet.

VIENNA—Generally steady in livelier activity, with Banks and Insurances slightly higher.

COPENHAGEN—Higher in fair dealing. Banks were slightly up.

HONG KONG—Sharply higher in moderate trading.

Jardines were up 90 cents to $HK26.40, **Wheelock "A"** up 20 cents to $HK4.35, **Hong Kong Bank** 30 cents to $HK21.30, **Hong Kong Land** 15 cents to $HK8.85, **Swire Pacific "A"** 10 cents to $HK10.60, **Hutchison** 10 cents to $HK3.275, **China Light** $HK1.20 to $HK22.80, and **Hong Kong Telephone** 70 cents to $HK23.20.

JOHANNESBURG—Gold shares firmer.

Copper producer **Messina** rose 15 cents to R3.35.

Industrials were steady.

TOKYO—Slightly higher, with late profit-taking curbing the initial upswing, volume 250m. (210m.) shares.

Electricals firmed. **Sony** moved up Y150 to 2,900 on active foreign buying. **Pioneer** rose Y100 to 2,700, **TDK Electric** Y60 to 1,500 and **Alps Electric** Y56 to 985.

But Trading Houses continued to decline, while Constructions, Foods, Resource shares and Non-Ferrous Metals were mainly lower on profit-taking.

AUSTRALIA—Generally firmer in quiet trading, with Mining leaders recording the strongest gains. Improved metal market prices overseas influenced market sentiment.

CRA rose 9 cents to $A2.91, **MIM** 6 cents to $A2.94 and **Peko-Wallsend** 10 cents to $A5.54.

Energy stocks, particularly Coals, were actively supported. **Utah** touched $A11, while **Thiess** advanced 17 cents to $A2.12.

Cons. Gold Fields rose 10 cents to $A2.35, **Woodside-Burmah** 2 cents to $A1.11 and **BHP** 12 cents to $A7.80.

Leighton put on 4 cents to 70 cents but **Lend Lease** shed 5 cents to $A3.05.

Sugars were strong, with **CSR** up 10 cents to $A4.

Philip Morris moved up 20 cents to $A9 and **Herald Warrants** 12 cents to $A2.13. **National Bank** *fell 6 cents to $A2.95.*

OTHER MARKETS

Canada firm

Canadian Stock Markets turned firm in active trading yesterday morning, when only Utilities, off *0.26 to 137.11 on index*, moved against the general trend.

The Industrial Index put on 0.82 to 192.55, Golds 0.17 to 325.67, Base Metals 1.18 to 90.02, Western Oils 1.91 to 217.74, Banks 1.13 to 240.04 and Papers 0.68 to 129.07.

Indices

NEW YORK

DOW JONES AVERAGES

STANDARD AND POORS U.S. STOCK INDICES

	*Industrials	†Composite
Mar. 10	113.57	100.94
" 9	113.14	100.58
" 8	112.69	100.19
" 5	111.42	99.11
" 4	111.17	98.92
" 3	112.38	99.98

MELBOURNE YIELDS

Av'ge yield on 50 Leading Stocks	Mar. 11	Mar. 4	Feb. 26
On Dividends	5.45	5.48	5.46
On Earnings	8.84	8.90	8.91

SYDNEY ALL ORD. INDEX

TOKYO NEW SE INDEX

STOCK AND BOND YIELDS

HONG KONG INDEX

WEDNESDAY'S ACTIVE STOCKS

SINGAPORE INDEX

EUROPE

TORONTO INDUSTRIAL INDEX

MONTREAL INDUSTRIAL INDEX

COMBINED INDEX

JOHANNESBURG

IND. DIVIDEND YIELD p.c.

N.Y. SE ALL COMMON INDEX

RISES AND FALLS

AMERICAN SE MARKET VALUE INDEX

Pound improves

Sterling gained ground in the foreign exchange market yesterday, after recording a further record depreciation against other major currencies in early trading. There was further evidence of Bank of England support for the pound at its lowest levels.

Sterling opened at $1.9075-1.9095 and remained fairly depressed in early dealings, but rumours of a possible increase in Bank of England Minimum Lending Rate at to-day's Treasury bill tender, may have helped towards the improvement to $1.9350-1.9360, for a gain of 2.275 cents on the day.

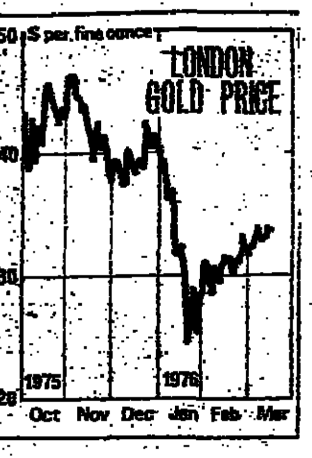
The pound's trade-weighted average depreciation since the Washington Currency Agreement of December 1971, narrowed to 33.3 per cent. from 33.8 per cent. previously, and after, falling to 34.2 per cent. in early dealings, and 34 per cent. at noon.

The rumours about MLR had largely been discounted by the close of business however, since this would appear to be at variance with recent official policy, and it is likely that the major factor in sterling's improvement was a determined stance by the Bank of England to support the pound at around the $1.91 level.

Discounts on forward sterling tended to widen, with the three-month forward pound finishing at 2.20 cent premium against the dollar, compared with 2 cents premium on Wednesday.

The dollar's trade-weighted depreciation since 1971, as calculated by Morgan Guaranty, showed little change at 2.21 per cent. against 2.20 per cent. previously. The dollar's improvement in terms of the West German D-mark tended to ease the pressure on the French franc within the European currency snake, but there was further evidence of support for the franc by the French authorities.

Gold fell $¼ to $133¼-134¼ and the krugerrand finished at $137¼-$139¼ (£71-72) for domestic delivery. Its premium over the gold content was 3.36 per cent. in the domestic market and 2.99 per cent. in international dealings.



SPECIAL DRAWING RIGHT RATES

One SDR is equal to	Mar. 10	Mar. 9
Sterling	0.600098	0.595934
U.S. dollar	1.16041	1.16076
Belgian franc	45.6998	45.7107
Deutsche mark	2.97900	2.98466
French franc	5.25405	5.25940
Italian lira	926.906	927.070
Japanese yen	349.690	349.331
Dutch guilder	3.11184	3.11490
Swedish krona	5.10000	5.10734
Swiss franc	2.98806	2.99592

Values are for currencies against the SDR as calculated by the International Monetary Fund in Washington.

EXCHANGE CROSS-RATES

EURO-CURRENCY INTEREST RATES

GOLD MARKET

	Mar. 11 1976	Mar. 10 1976
Gold Bullion (a fine ounce)		
Close	$133¼-134¼	$133½-134½
Opening	$133½-134¼	$132¾-133¼
Morning fix'g	$134.00 (£69.996)	$133.30 (£68.836)
Afternoon fix'g	$133.65 (£69.159)	$133.90 (£69.558)
Gold Coins (domestically)		
Krugerrand	$137¼-139¼ (£71-72)	$136¾-138¾ (£71½-72½)
New Sov'r'gns	$46-47 (£23¾-24¾)	$45½-47½ (£23½-24½)
Old Sov'r'gns	$46-48 (£23¾-24¾)	$43½-45½ (£22¾-23¾)
Gold Coins (intern'aly)		
Krugerrand	$136¾-138¾ (£70¾-71¾)	$137-139 (£71¾-72¾)
New Sov'r'gns	$45½-46½ (£23½-24)	$45½-46½ (£23¾-24¼)
Old Sov'r'gns	$42¾-44¾ (£22-22½)	$42½-43½ (£22-22½)
$20 Eagles	$221-224	$220-223
$10 Eagles	$106-109	$107-110
$5 Eagles	$76-79	$77-80

FOREIGN EXCHANGES

Mar. 11 1976	Bank Rates %	Market Rates Day's Spread	Market Rates Close
New York	5½	1.9075-1.9390	1.9350-1.9360
Montreal	9½	1.8780-1.9080	1.9060-1.9070
Amsterdam	4	5.15-5.25	5.21-5.22
Brussels	†6	75.40-77.00	76.75-76.95
Copenh'gen	7½	11.82-12.02	12.00-12.01
Frankfurt	3½	4.91-5.01	4.99½-5.00½
Lisbon	6½	52.50-55.00	54.65-54.85
Madrid	7	127.70-129.90	129.60-129.80
Milan	8	1,555-1,565	1,547-1,550
Oslo	6	10.60-10.79	10.77-10.78
Paris	8	8.67-8.82	8.80½-8.81½
Stockholm	5½	8.41-8.54	8.52½-8.55½
Tokyo	6½	578-590	582-585
Vienna	6	35.25-35.85	35.75-35.85
Zurich	2½	4.95-5.05	5.00½-5.01½

† Basic discount. ‡ Given rates are for convertible franc.; closing financial franc 78.70-79.08.

OTHER MARKETS

FORWARD RATES

OVERSEAS SHARE INFORMATION

NEW YORK

CANADA

GERMANY

Mar. 11	Prices Dm.	+ or —	Div. %	Yld. %
A.E.G.	99.8	—0.2	—	—
Allianz Versich.	417	+5	17	2.1
B.M.W.	277.5	+2.5	14	2.5
BASF	170	+2.2	17	—
Bayer	149	+2.5	17	5.5
Bayer Hypo	315	+2.5	18	2.9
Bayer Vereinsbk.	318	+2.5	20	2.7
Commerzbank	210	+0.5	16	4.5
Contl. Gummi	115.6	+1.6	—	—
Daimler	376.8	+12	15	2.0

MILAN

PARIS

AMSTERDAM

BRUSSELS/LUXEMBOURG

SWITZERLAND

COPENHAGEN

VIENNA

AUSTRALIA

TOKYO

STOCKHOLM

OSLO

JOHANNESBURG

SPAIN

APPOINTMENTS

C. C. Pocock to head Shell' Transport

Mr. C. C. Pocock

C. C. Pocock, a member of ...ard of the "Shell" Trans... ...nd Trading Company since ...s to become chairman from ... He will continue as ...ing director of the Royal Shell Group of companies. Frank McFadzean retires as ...an from June 30, the date ...retirement as a managing ...r of the Royal Dutch/ Group of companies. Sir ... will remain on the Board ...ch he has been a member ...1964 and chairman since ...

★

Richard Hurn has joined NATIONAL STORES as ...ty director. He was pre... development and invest... surveyor with Sun Alliance ...ondon Insurance Group.

★

Norman Ayers, director of ... has joined the Board of ... CARAVAN.

★

Bill Sellars has been ...ted managing director of ...BROTHERS, part of Eva...ies. He takes over from ...rthur Sanders, who has ...as managing director but ...main on the Board.

★

Alastair O. Lambie, ship... director of CAMMELL ...SHIPBUILDERS, has been ...ed senior executive direc...h overall responsibility for ...ial relations and personnel ... in addition to shipbuild...erations. Mr. Michael J. ... has become production ..., responsible to Mr. ... for ship construction, ...control and commission.

★

...enneth Preston, a director ...LAND BANK for 31 years, Stephen Burman, a direc... 17 years, will not seek ...ion to the Board at the ...meeting on April 7.

★

... B. Sims and Mr. D. F. ...nith have been appointed ...Board of the DELTA ... COMPANY. Dr. Sims is ...n of Delta's electrical divi... ...d Mr. Abel Smith, chair... its Astonia division.

★

J. J. Trigwell, assistant managing director of DAVID CHARLES, has retired from the company by mutual consent to devote more time to his private business interests.

★

Mr. Geoffrey F. Smith has been appointed managing director of the engineering services division of JOHN E. WILTSHIER AND CO. Mr. John Gallyer has become general manager of that division.

★

Mr. Leslie Dobson has been appointed a non-executive director of SERCK. He is chief executive of Monenco Overseas and is also a non-executive director of McKechnie Brothers.

★

Mr. Lawrence Fordham has become managing director of AGA WELDING in place of Mr. Stig-Erik Erikson who has returned to Sweden to take up a new management position. As a result of Mr. Fordham's appointment, Mr. John Bevan, national sales manager, becomes responsible for all direct and indirect sales operations. Mr. John Walters has been made marketing services manager.

★

Mrs. Daisey Ewing has been appointed a member of the CENTRAL ARBITRATION COMMITTEE, Department of Employment. She was nominated for membership of the CAC by the Advisory Conciliation and Arbitration Service, as an employers' representative. Mrs. Ewing is group personnel adviser, Brooke Bond Liebig.

★

Mr. Ian Spooner has been appointed secretary of PHOENIX PRESERVATION, a member of the Phoenix Timber group.

★

Mr. M. Andrew Haladej has been appointed vice-president and general manager, SANDERS DATA SYSTEMS GROUP.

★

Mr. M. Harker has become marketing director of CRANE-AID SERVICES.

★

Mr. T. Gore and Mr. R. E. Stedman have been elected directors of J. H. MINET AND CO., a subsidiary of Minet Holdings.

★

Mr. Hans Thykier has joined the card division of AMERICAN EXPRESS COMPANY as regional vice-president—marketing, Europe, Middle East and Africa.

★

Mr. R. V. Edwards has joined the ALLIED POLYMER GROUP and has been appointed technical director of Beaufort Air-Sea Equipment. He takes up his appointment on April 5. Mr. Edwards worked in the search, rescue and survival field for many years at the Ministry of Aircraft Production during the last war. He then joined RFD Co. in a technical capacity, later becoming a member of the RFD Board and technical sales director.

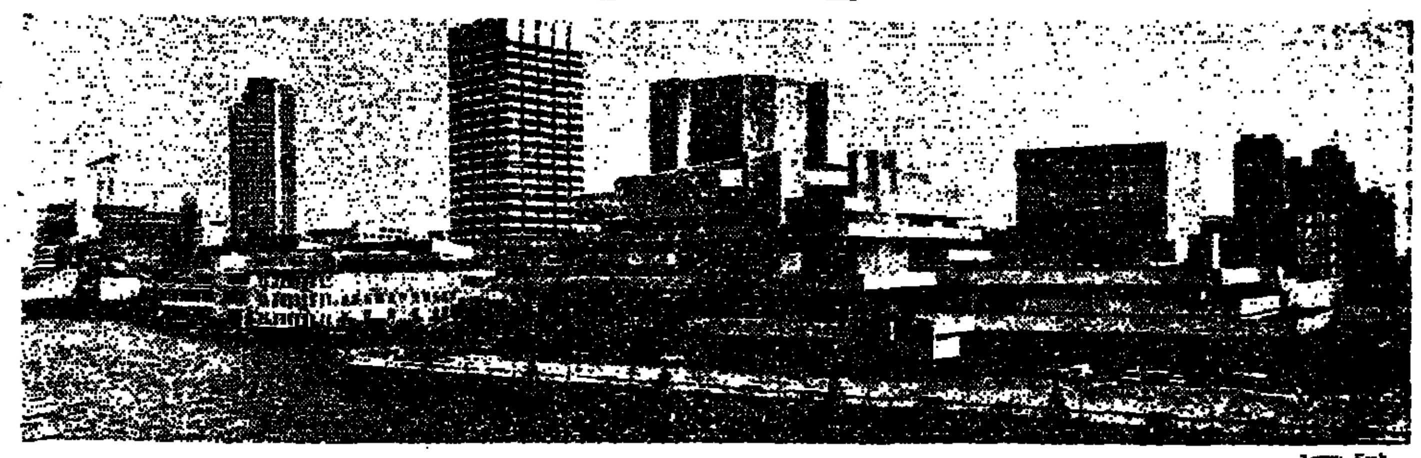
★

Mr. Brian B. G. Jeffery has been appointed managing director of EMI BRIGADIERS (PTY.), reporting to Mr. Clive Kelly, managing director, EMI Holdings (South Africa) Pty. Mr. Jeffery, who joined EMI in 1959, was managing director of EMI in Denmark from 1968 to 1972. His most recent position was general manager—U.K. Repertoire and Marketing, EMI Records. Mr. Alberto Cardona has become deputy managing director of EMI-Odeon SA, Spain.

With the first of the new National Theatre's three auditoria opening on Monday, **H. A. N. Brockman** reviews the building's architectural achievement

Applause for a superb production

MR. DENYS Lasdun, the new National Theatre's architect, gave it as his opinion in a recent television interview with Mr. Peter Hall, that the language of architecture is now non-existent and must be rediscovered. Small wonder that the public is still puzzled by almost any building which now goes up, with the exception of the most banal with which most people have now become so familiar that they are hardly even shocked.



Terry Kirk

It is the buildings on which most intelligent and constructive thoughts have been lavished that evoke the public's anger and alarm. This is hardly surprising since such designs are based, as Mr. Lasdun says, on the absence of an architectural language.

So what are we left with, externally? Perhaps just massing and the choice of materials. The external appearance and effect of such an important building as the National Theatre (the first of whose three auditoria, the Lyttleton Theatre, opens on Monday) is, therefore, of paramount consequence, particularly because of its magnificent site on the central bend of the Thames and its whole influence on that riverside environment, in spite of inferior neighbours.

All the best

In my view, this building is the sum of all the best which has come out of the completely new attitudes to modern architecture which, stimulated by the torch-bearer Le Corbusier, arrived in this country in about 1928, when Le Corbusier's book, *Vers une Architecture*, was first published here by the far-sighted John Rodker.

Although this theatre was conceived from the inside outwards, the public will assess it from the outside in and the first thing that strikes the approaching viewer crossing Waterloo Bridge is the utterly unashamed use of concrete. Reinforced concrete is the major structural material of this century and its use here is logical because the architectural conception of this building, with its deep cantilevered sheltering terraces and its need for solid insulation from outside noise, could not have been constructed from anything else.

The architect must, therefore, justify to the public his use of this normally unlively looking, and in this case crucial, material. To have built the Theatre with stone would have been too expensive. To have faced it with stone would have been to deny the proper expression of the mass, so foreign to any masonry designs.

Mr. Lasdun's justification, often repeated, is that the particular constituents of this concrete will produce in the long run a weathered textural result which will successfully contrast (not compare) with stone. Ever since the great fly-tower has risen above its spreading surroundings people have had doubts of this assertion. The texture and colour, however, are most successful to my mind, and greatly assisted by the residual wall pattern of horizontal, as opposed to the usual vertical, shuttering. But only time can show whether the hoped for result will be achieved.

The asymmetrical massing of this large complex is splendid. Yet, when the building moves around, as it does to the observer who forgets his own movement during his perambulation, the building mass suddenly falls into a complete and even startling symmetry when seen from due west on Waterloo Bridge. This is similar to the effect arrived at by the apparently asymmetrical gothic cathedrals which, when completed, invariably achieved this perfect symmetrical balance from east and west.

I cannot judge the interior, for this must be experienced in its living function, and then not properly until all three theatres are at work. There is this that can already be said, however, as I saw the main entry and approach through the foyers only a few months ago. Here the scale is grand and promises to be even grander when colour and people throng these spaces. I was reminded of Piranesi's great flights of imagination in his etchings, where scale is over emphasised by the use of the human figure at about half its normal size. In the National Theatre, scale will provide its own justification without adventitious aids.

Mr. Lasdun's work has throughout the years been a preparatory exercise for this last—from his small house in Newton Road of 1938, to the Royal College of Physicians in Regent's Park, among many other buildings of distinction, each having learned from the other with a remarkable consistency shared by few during this chaotic age.

In the first National Theatre scheme produced by Mr. Lasdun on the river front of the vast Shell Building he designed his theatres on each side of the tower background, bringing the composition down to a broad valley complex of public terraces which, together with their complementary "hills" on either side, put the Shell building into the position of a subsidiary back-drop. Nevertheless he preferred the subsequent (that is present) site as giving greater freedom of expression without the dominant background which he had so successfully subdued and affording an even greater opportunity for the participation of people in the visual success of the whole.

His concern with the people with and for whom he is designing is paramount; he never fails to give Mr Peter Softley, his partner, the credit for his share in the work. To Mr. Lasdun, architectural principles are sacrosanct, but, as he maintains, any good architect will compromise until the point is reached where he must stop. In the Physician's building, for instance, there is a background of treasured possessions which the occupiers were loth to surrender to a modern decor.

Ornament

Then what about architectural ornament? The ornaments of the National Theatre will be people, he has said, and it is people that come first in these three auditoria. In the Olivier Theatre (seating 1,150) in particular, no member of the audience will be looking at another member. The view will be concentrated on the stage from which the actor's view can, because of the bowl-like configuration of the auditorium, see and thus command all without amplification aids.

Mr. Lasdun's reasons for becoming an architect were his desire to work in a field where the abstract could be combined with the practical—a very succinct description of the purpose of the architect as a creator in this technological climate.

...E CONTRACTS

...hephard, Hill wins £2.3m. ...ater authority work

...ARD, HILL AND CO., ...ton, Middlesex, has been ...d a contract worth about ... by the Southern Water ...ity for construction of a ...r at Ardingly, Sussex. ...mpany has also received ...er worth about £230,000 ...ie NCB to build a rapid-... bunker at its Warsop col... ...erbyshire.

★

...AYS EXPORT AND FIN... COMPANY, the leasing, ...al hire purchase and fac...rm of the Barclays Group, ...ed a multi-million pound ... contract with Borg-... Corporation for a chemi...t which is being built ... to another sited at ...outh, south-east Scot...e plant is being built to ...ew capacity for the pro... of ABS plastics, known ...lac. These are engineer...stics which are widely ... the manufacture of cars, ... appliances, television ... business machines and ... framework.

★

...-BARFORD, a company ...eyland special products' ...as won a dump truck ...orth almost £2m. from ...onal Coal Board. The ...lls for the supply of ... pay load Centaur dump trucks for use on opencast mining operations throughout Britain. The new vehicles will be delivered by early 1977.

★

JOHN LAING CONSTRUCTION has received a £1.8m contract from the London Borough of Hounslow for the first phase of a housing development at Feltham, Middlesex. Eighty-eight two- and three-storey dwellings, comprising 16 houses, two bungalows for disabled persons, 54 maisonettes and 16 flats, make up this first phase, which will accommodate up to 370 people. Laing will also construct a community hall and all roads and external services.

★

GEORGE WIMPEY AND CO. has won a contract worth £660,000 for construction of a computer centre for the South West Thames Regional Health Authority at Springfield Hospital, Tooting, S.W.17.

★

SOVEX MARSHALL, Carlton, Nottingham, has received a £400,000 order from the British Airports Authority for a completely automatic, integrated system to handle passengers' baggage in the British Airways section of Heathrow's Terminal Three. Completion is scheduled for April 1977, with the option on a similar value second phase to be taken up by January that year.

★

SIMONBUILD, Stockport (a Simon Engineering company) has received a £813,000 order from Mars for the design and construction of an associate amenity and office facility at its Slough, Berkshire, headquarters. This will be built within an existing warehouse structure.

★

DAVID CHARLES CONSTRUCTION (MIDLANDS) has been awarded a housing contract worth £470,000 for the City of Birmingham which involves the erection of 49 dwellings at Springfield, Birmingham. On completion, scheduled for February next year, the scheme will house 218 persons in two-storey homes accommodating from two to seven people each.

A. E. SYMES, a member company of the David Charles Group, has started work on a project on the Isle of Dogs for the East of London Housing Association. Worth £1.9m. It involves the erection of nine housing blocks to provide a complex of maisonettes, flats and shops, plus an amenity centre.

FINANCIAL TIMES REPORT

Friday, March 12 1976

TRAFFORD

Constituted one of the metropolitan districts of Greater Manchester under the local government restructuring Trafford has proved a happy blend of industry and local commuter land. Essentially, of course, it is locked into the Manchester complex.

Activity at the Stretford end

TOO OFTEN the towns that make up the metropolitan district of Trafford have seemed destined to play bridesmaid, rarely the bride. It can be one of the penalties of living too close to a larger and more powerful neighbour. Together they make up one of Greater Manchester's more felicitous groupings, home for many city commuters as well as traditional powerhouse of industry. But Trafford rubs shoulders with Manchester—the city centre, astonishingly, is little more than a mile from Trafford's boundary—and it has long had to live with a situation in which geographic, economic and administrative frontiers have overlapped and blurred, certainly at the Stretford end of Trafford.

Trafford Park, after almost 80 years still a giant among industrial estates, lies in Trafford, but its official postal address is Manchester. Docks of the Port of Manchester reach into Trafford and the stadium of Manchester United FC, where as many as 59,000 disciples have been gathering on recent Saturday afternoons, is wholly inside Trafford. So is the home of Lancashire County Cricket Club, which compounds the complexities by no longer being in Lancashire at all but in the new metropolitan county of Greater Manchester, born out of the reshaping of local government. Still, Stretfordians have been singled out for individual glory with generations of Old Trafford cricket commentators informing the world: "Smith is coming on to bowl at the Stretford end."

But over-fussy demarcations should be avoided. The truth is that many connecting strands are indivisible and there is a good deal of interdependence, no more so that in the reciprocal and substantial cross-boundary flow of manpower every day. The labour catchment area of the industrial estate of Trafford Park has historically been extremely wide: fundamental changes in its jobs structure have not cancelled out Trafford's record as a net provider of employment to Greater Manchester. Almost two in every five workers living in Trafford travel to jobs outside the borough, but the daily flow into Trafford from outside is significantly greater.

Landscape

Away from the industrial concentration of Trafford Park, still a formidable inventory of big league business names, Trafford can sometimes give the impression of being a compact annexe or dormitory for Manchester. In fact, it is an aggregation of long-established towns and villages with distinct identities, characters and roles, collectively making up one of the most varied and contrasting of Greater Manchester's ten districts.

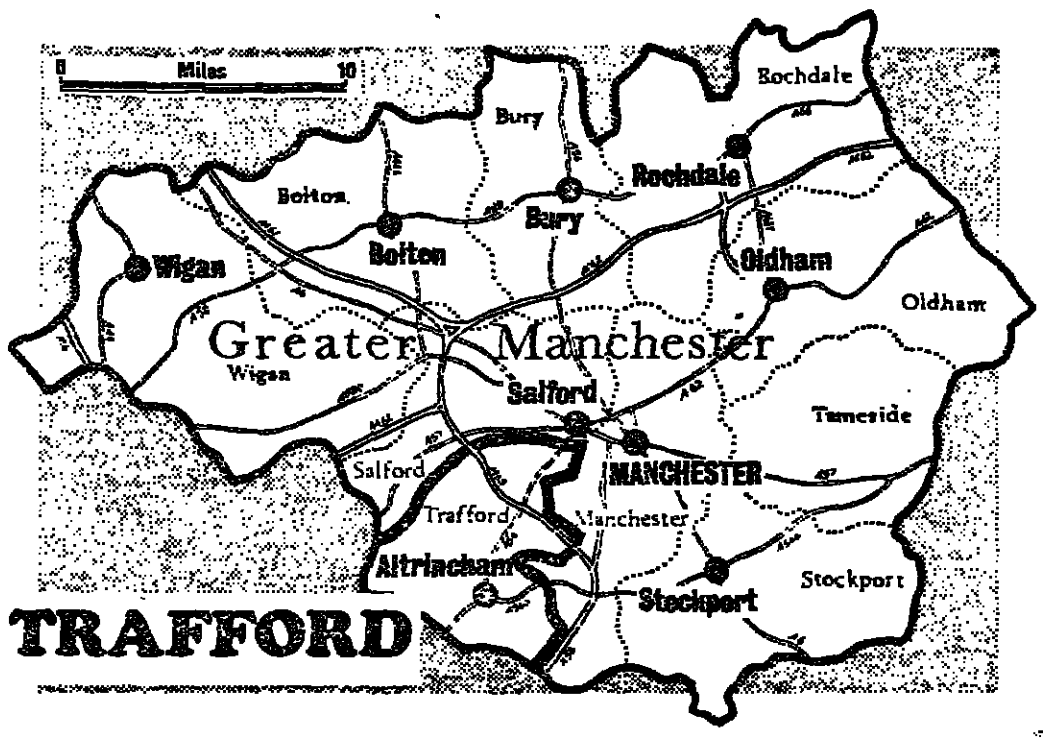
It straddles the old Lancashire-Cheshire border to weld together the former boroughs of Altrincham, Sale and Stretford, urban districts of Bowdon, Hale and Urmston, and parishes of Carrington, Dunham Massey, Partington and Warburton in Bucklow rural district. It brings together 231,000 people, 26,000 acres and a landscape encompassing the factory complex of Trafford Park at one extreme and the fallow deer and fine beeches, oaks, limes and chestnuts of Dunham Park at the other. Altrincham has the stamp of a proud and busy market town and Bowdon and Hale have for long commanded some of the choicest adjectives in the estate agents' vocabulary.

Local government reorganisation threw together some odd bedfellows in places, but in general there is a basic affinity about Trafford—on the one hand in deep traditions of industrial skill and versatility, on the other in its high ratio of professional and white collar workers. It will still take time for the new local government structure to gain full acceptance, but promising progress has been made. The mood at elected member and officer level suggests confidence in Trafford's ability to make it work. One single authority replacing the fragmented structure of the past could also help in earning better recognition for Trafford in its own right as a major industrial force, instead of being bracketed by association with Manchester.

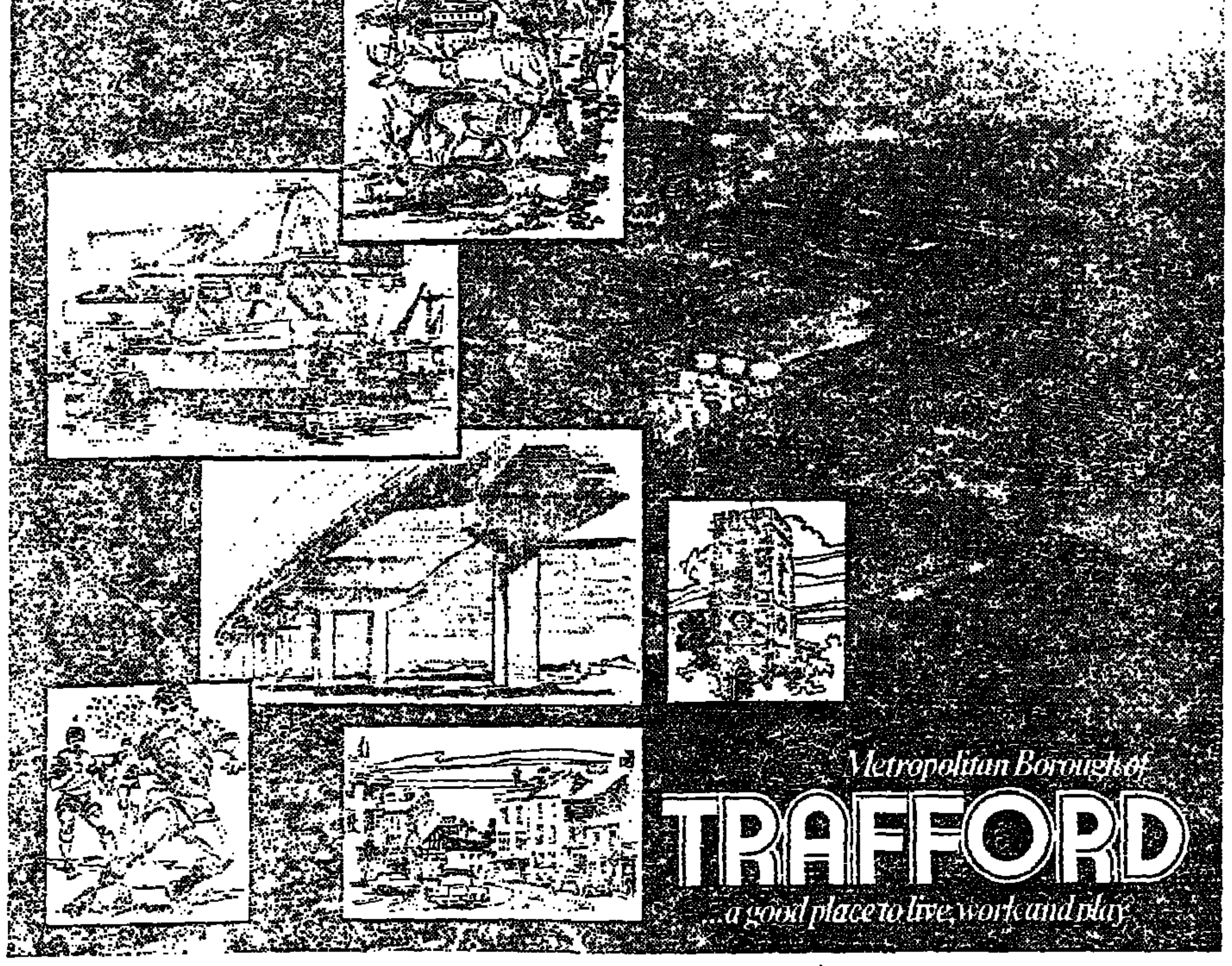
It starts with a number of clear advantages including its choice of name. Some Greater Manchester authorities remain burdened by serious problems of outdated housing and environmental deficiencies, but Trafford is not one of them. Its spread of industry is wide for a region where the continuing cry is for greater diversification. It has the stamp of a busy and successful place, even if its unemployment figures have grown in common with the rest of the country. Measured by the yardstick of domestic rateable values, it enjoys some of the best living standards in Greater Manchester. Thirty-one of its 44 wards based on the 1971 pattern of local government were recently put in the "most affluent" bracket in an analysis produced by Greater Manchester Council. Trafford has a very wide range of housing and a sizeable reservoir of high quality homes in attractive residential areas geared to the aspirations of professional and managerial groups. In its most well-heeled reaches houses have fetched £70,000.

Yet the district has also survived some hard knocks, particularly in the GEC-led rationalisation of heavy electrical engineering, a mainspring of Trafford Park's economy from early days. Most of the estate's losses have been in the manufacturing sector—in 1973 Winston Churchill, Conservative MP for Stretford and Urmston, claimed 10,000 jobs had disappeared in six years—and the contraction has had fundamental implications for Trafford's employment structure.

Service sector jobs now outnumber manufacturing by a significant margin. Trafford has first-class motorway links, as well as being close to Manchester Airport, and the area has seen substantial growth in distribution, freight and storage operations. Some critics think it has seen too much growth. Also helping to widen the gap has been a surprisingly high rate of office development, mainly in the Old Trafford district and largely speculative. "At the height of the propert[y] boom," said one Trafford offic[ial] reflectively, "developers we[re] applying for planning conse[nt] as if there were no to-morro[w]." These are among the chan[ges] with their implications for [the] future, which are now [the] subject of close focus study by the local authority. But Trafford has already demonstrated its ability to adapt to change and there can be little doubt it will succeed in doing so in the future.



This Report was written by Tom Heaney



Pressure for new development

TRAFFORD IS one of three Manchester districts with a "relatively high" quality of life, according to a GMC analysis. It accounts for one in four of Greater Manchester wards rating a "most affluent" bracket. Much of it is owner-occupier country, with a ratio of 61 per cent. home-ownership against a national average of 48 per cent. and a North-west regional figure of 53 per cent. In its more exclusive reaches Trafford can probably claim an owner-occupier level nearer 80 per cent. Houses have been known to sell for £70,000 Conversely, it has the second lowest number of council house renting (21 per cent.) in Greater Manchester.

Historically, towns to the south of the city such as Sale and Altrincham, and especially Hale and Bowdon, have been among the most favoured residential areas with executives, managers and other professional groups. The growth of Trafford Park industrial estate has also been an important factor in determining the social emphasis and aspirations of the area. This has often been reflected in higher property and land values, although premiums have tended to narrow as less fashionable districts to the north of Manchester have been opened up by developers as a consequence of pressures to the south.

The scale of building in parts of Trafford has led increasingly to a diminishing land supply and it is clear the borough would have to face some fundamental questions before it could embark on any really large-scale housing programme. Many of the houses now being built are within the built-up area and the first priority is seen as encouraging this wherever land is not being used to its full potential. At the same time Trafford is alive to the need to ensure that any pressure for increased density of development is not allowed to endanger the environmental character of the borough.

With a busy electrified rail link with central Manchester and convenient road access — Trafford's car-ownership levels are the second highest in Greater Manchester for both single vehicle and multiple ownership and also above the national average in both categories — it is the sort of place where people like to live. This shows itself in a highly varied social life and a teeming assortment of voluntary societies and groups serving a wide range of recreational, cultural, artistic and community interests. There is a spirit of social self-reliance but also easy access to music, theatre and museums and libraries of regional and national importance in Manchester.

Awareness

Altogether it appears to encourage a sharper than usual awareness and involvement in the future of the borough. Public participation is something that commands a good deal more than lip-service in the philosophy of the new Trafford authority. "In the past," says George Mercer, the local planning officer, "there has been too much planning and too little public discussion. We should learn to listen first." The result is a commendable level of public debate and discussion. Public meetings to consider the future development of the town centres of Altrincham and Sale, for example, have been crowded. No fewer than 1,400 individual comments were received at an exhibition and meetings about the shape of Altrincham's new centre.

Trafford's town centres are busy ones and among the most modern in Greater Manchester. There has been considerable investment over the past ten years, with more currently in the pipeline. The biggest single development so far has been the Stretford Arndale Centre, where the final phase was recently completed to produce total shopping floorspace of over 300,000 square feet gross. Climatically controlled shopping malls have proved popular with local as well as car-borne shoppers from a wide catchment area. A more compact shopping centre has been built at Urmston, serving the western part of the borough

The town centre of Altrincham, nine miles from central Manchester, is a traditionally buoyant one serving Trafford's southern flank as well as north Cheshire shoppers. A Petros development, currently under construction, will provide 210,000 square feet of shopping and 64,000 square feet of office floorspace. Three large stores are included in the project together with 34 shop units.

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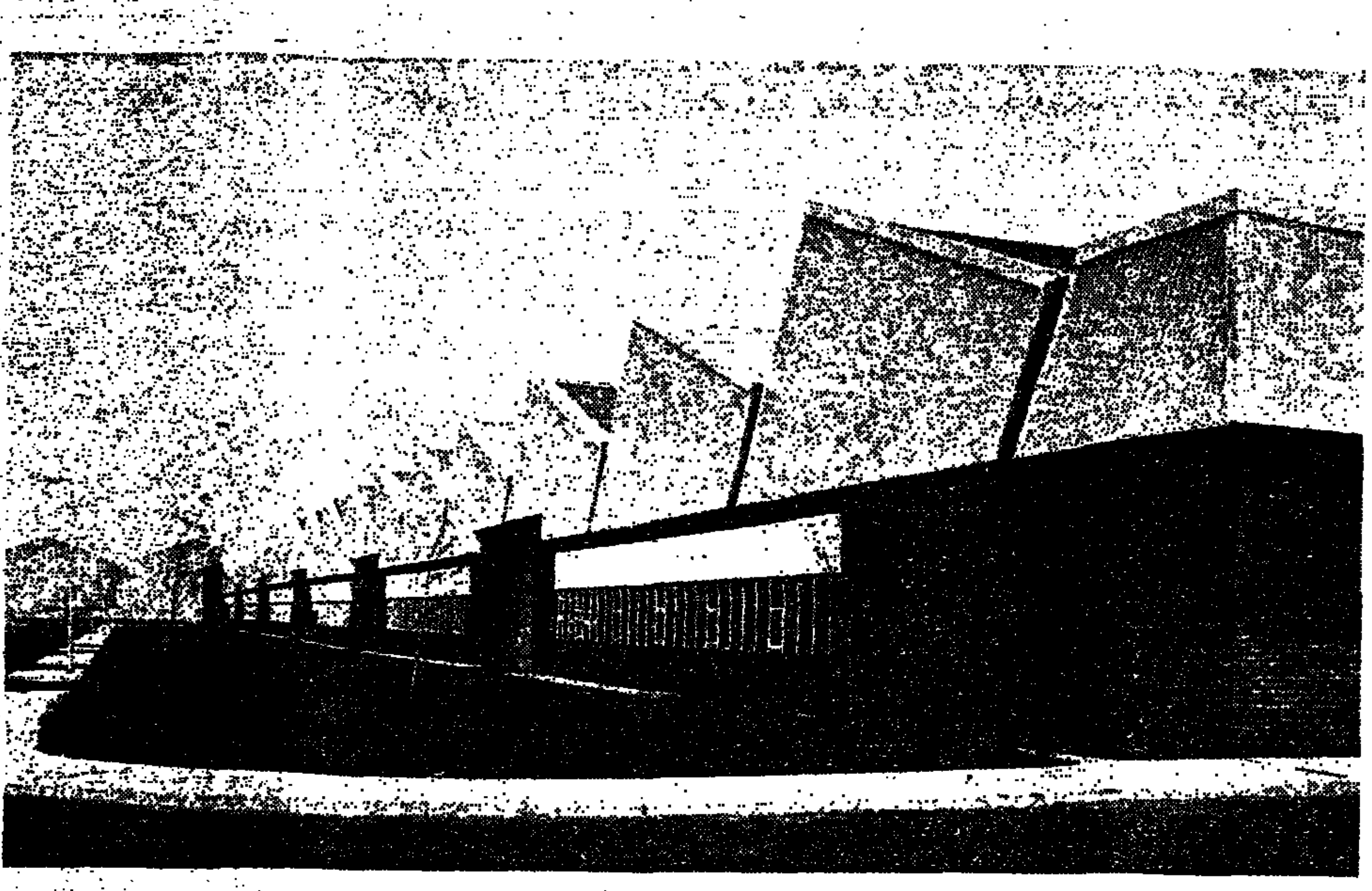
Industrial transformation



Central Park industrial estate at Trafford Park.

:EIVE A diamond-shaped f England, three miles in by one mile in breadth, ed on all sides by water flat as a bowling green," n official handbook a few ago, "and you have rd Park." It could have as so many other guides explained since the Park pened in 1897, that at its over 50,000 workers ed into it daily to jobs at ictories and workshops. was then high technology l the electrical engineer- restige of names like olitan-Vickers to distant s of a developing world. cal standards established fford Park manufacturing were a passport that many one-time appren- o positions of great res- lity.

measure of the industrial rmation of the borough fford is that to-day the once the largest in n Europe and the proud of far-sighted Victorian rise, employs little more 5,000. Long-established acturing names have gone een replaced by service ies. In places Trafford s beginning to show its I a discussion paper pro- by Trafford's manage- team of officers has that it is in danger of ng an obsolescent Attempts are now nade to modernise it with ctory units, refurbishing, inting and landscaping.

llenge

ord Council has the member-majority of Conservative-controlled ty in Greater Manchester e group leader, Michael ees the main industrial ge as the development "tremendous potential" Trafford Park estate. "The is absolutely ideal how- ou look at the map and it the Trafford area to the focal point of ial development in the vest," he says.

pite of all the change d Park remains one of ost important industrial n Britain and is still the tone of the borough of Trafford's economic future as it has been in the past. It can still claim a concentration of powerful industrial names: GEC Power Engineering, Ciba-Geigy, ICI, TAC Construction Materials (Turner and Newall), Massey Ferguson, Shell-Mex and BP, Esso, Procter and Gamble, Kellogs Cereals, Ingersoll-Rand, Carborundum. Nearly three-quarters of Trafford's industrial floor space is located in the park and engineering still occupies 8m. square feet in Trafford. But warehousing and storage is now in second place with 6m. square feet. High capital investment is represented by large industrial complexes such as that of Shell Chemicals in the separate location of Carrington, although without the labour intensity that for so long characterised Trafford industries. After Trafford Park the next most important general industrial estate is at Broadheath, Altrincham, where a number of modern factories have been built but where communications are in need of improvement.

But from a position of dominance, manufacturing industry in Trafford as a whole now employs 47,300—14,000 fewer than the 61,300 employed in a mide range of service industries. The gap could widen further, with a possible further loss of 7,400 manufacturing jobs between 1975-86 but more than offset by a further gain of 10,800 in service sector employment. Industries employing over 3,500 men include mechanical engineering, construction, electrical engineering, wholesale, retail and bulk distribution, food, drink and tobacco and chemicals and allied transport. Professional workers, including education and medicine, head the table of industries employing more than 1,300 women, followed by distribution, miscellaneous services, insurance and banking, and food, drink and tobacco.

It could be argued that Trafford's industrial structure is to-day more diversified and better balanced than it has ever been. Despite higher unemployment—and the local level has traditionally been low—it is still a net provider of jobs for the rest of Greater Manchester. At the time of the 1971 census 44,000 non-residents worked in Trafford alongside 62,000 local people. Just over 36,000 Trafford residents had jobs outside the borough. The net result was that the borough had a net surplus of 8,000 jobs in favour of non-residents.

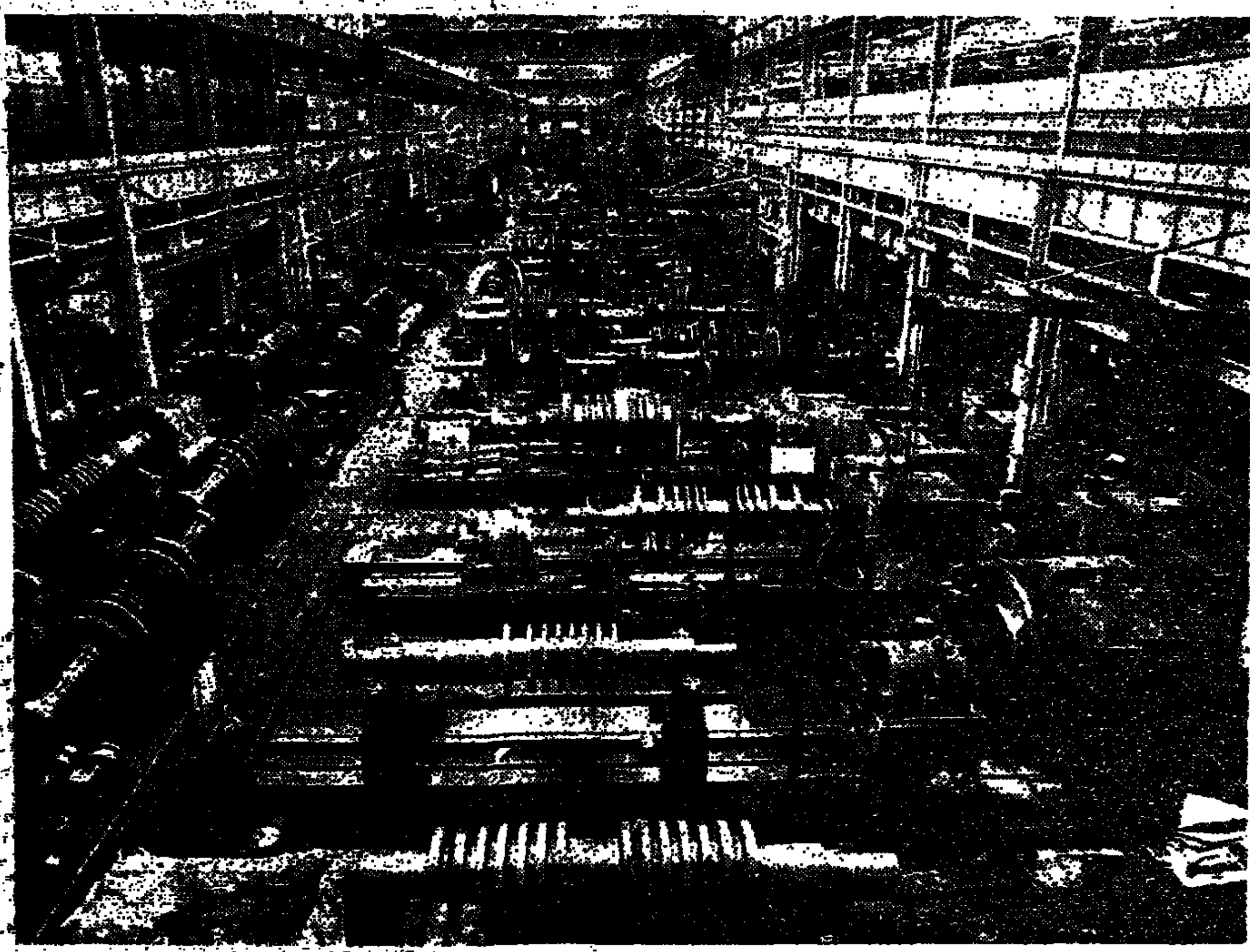
With the M63 running through it, the North-West's "spaghetti junction" nearby and a direct motorway link to its main industrial estate, as well as a major port on its doorstep and an international airport close at hand, Trafford has developed into an important freight, container, haulage, warehousing and distribution centre. There have been mixed views about former labour-intensive engineering factories being turnoved into warehouses. The local authority makes clear its preference for labour-intensive manufacturing industry, given a free choice, but it must recognise that just about every other North West authority shares the same ambition at a time when foot loose labour-intensive manufacturing industry has rarely been so hard to find. Trafford now takes the view that warehousing development should continue to be welcomed, provided it does not diminish prospects for attracting more labour-intensive industry. Nor does it subscribe to the view that warehousing takes up a lot of space but provides very few jobs. According to Trafford's planners, there is evidence that the level of warehousing staff, including drivers, is only about 20 per cent. below that of a modern factory unit.

Perhaps the most outstanding—certainly the most conspicuous—recent development in Trafford is its emergence as a major office centre. Most of it is concentrated in a fairly compact area of Old Trafford, close to the Lancashire county cricket ground and not far from Manchester city centre. Just over 2m. square feet of office floorspace has been built and at the present time just over 1.5m. square feet is occupied. It means, in effect, that four Old Trafford blocks are currently empty. In addition, the 132,000 square feet Sibson House has just been completed at Sale.

At the height of the property boom there were some fears that Trafford was in danger of being seriously over-officed. It coincided with the out-of-town theory that many business firms would be costed or hounded by traffic wardens out of city centres. Trafford seemed ideally placed. There have been gains, but not quite the frenzied rush that was once expected. One of the biggest single gains could now be the headquarters of Greater Manchester Police, which is believed to be interested in the 112,000 square feet Chester House, one of the empty blocks. There is space at the rear for a multi-storey extension, which would apparently also be needed.

Trafford recognises that offices can provide jobs at a rate of 500 or more to an acre. For example, finding occupiers for the 600,000 square feet at present empty could also find 4,500 jobs. John Leigh, Trafford's industrial development officer, makes the point that fresh starts anywhere have been few during the recession. Once the economy picks up Trafford will be in a position to offer off-the-peg accommodation, and at unrepeatable rent levels. Benjamin, Bentley and Partners, acting for English Property Corporation's 168,000 square feet Oakland House, Old Trafford—68,000 square feet still available—have done an exercise contrasting city centre and out-of-town costs showing potential savings in favour of Oakland rising to no less than £107,000 a year. This is based on a rent of £1.50 plus 40p service charge and 83p rates at the Old Trafford block, giving a total of £2.73 square foot. A comparable modern block in central Manchester might be £2.75 rent, service 40p plus rates £1.43p, making £4.58. The saving in favour of Oakland House would therefore be £10,330 a year on floor area of 5,600 square feet, £20,900 on 11,300 and £62,900 on 34,000 square feet. Comparable savings on a city-centre rent and rates of £5.88p would be £17,625, £36,600 and £107,100.

Meanwhile, industrial estates within an estate are being created at Trafford Park. Funded by Norwich Union, 135,000 square feet of modern single storey accommodation has been built as the first two phases of the Severnside estate on the site of a former Courtaulds plant. Agents King and Company report a "bright start" to lettings, mainly for warehousing, at a rent of around £1 square foot. "We have really tried to get away from the Trafford Park image and have put down as much turf and as many trees and used as much brightly coloured paint as we possibly could. Communications for the motorways are superb." One of the biggest challanges in Trafford Park was taken on by Property Security Investment Trust in gutting and starting afresh with a 750,000 square feet factory formerly occupied by AEL. Nearly 300,000 square feet has so far been taken by Schreiber and North-West British Road Services and a further 82,000 square feet is ready for immediate occupation. Here again a real attempt has been made to give Trafford Park, for so long a centre of heavy engineering, a bright modern face.



The factory of GEC Turbine Generators at Trafford Park.

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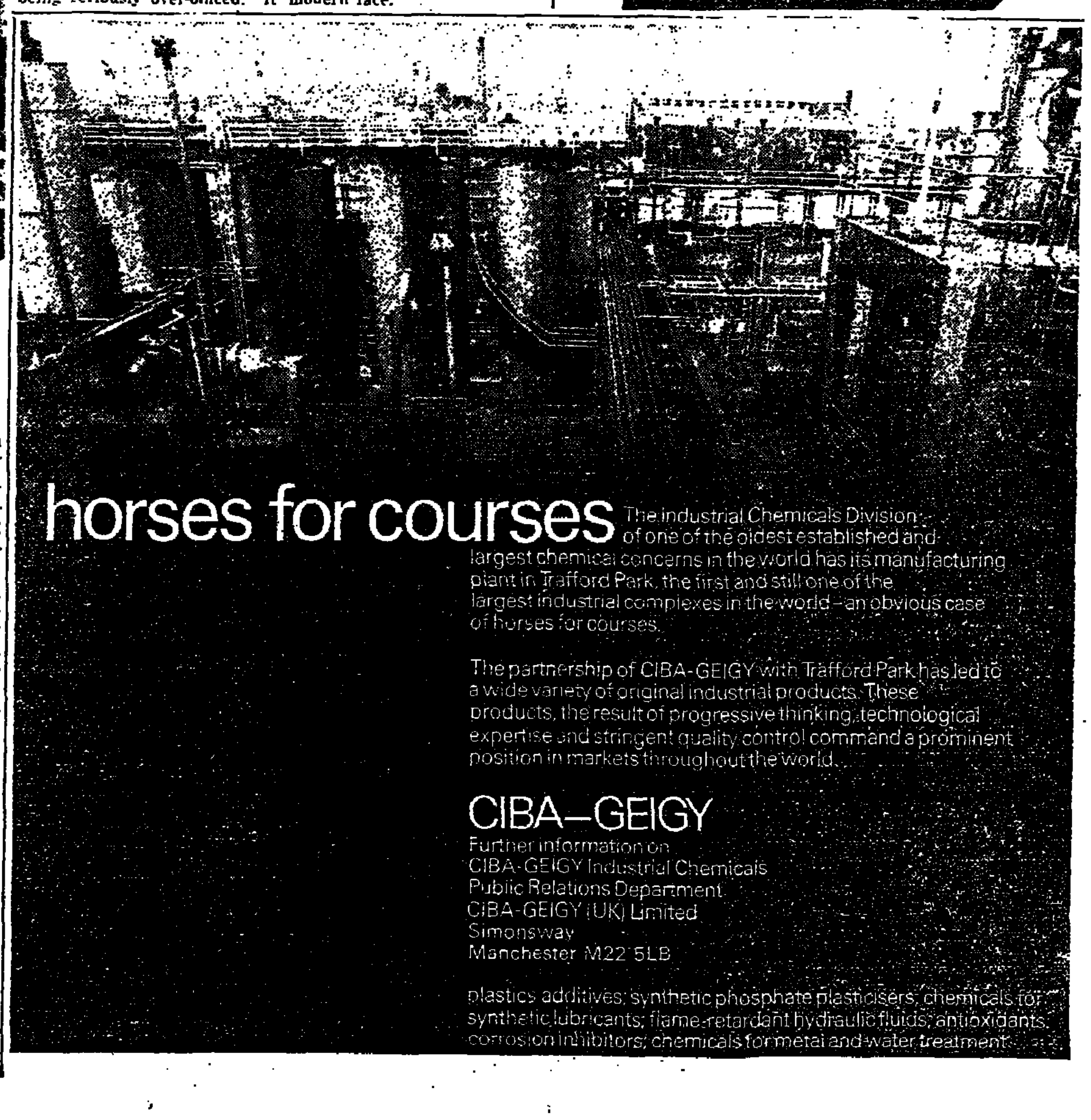
is particularly pleased vn Mull, the up-market department store, will g one of the three which will be between id 50,000 square feet. or 750 cars will be pro- added in an adjacent multi-storey park and the scheme will be linked by pedestrian bridge to a new bus-rail interchange which. Greater Manchester Transport plans to build in central Altrincham.

Trafford's planners think the local population will grow by around 11,000 up to 1986, generating a demand for about 5,000 new houses. "Trafford enjoys strong magnetism," they comment in a discussion paper. Nevertheless, population growth has been slowing, a trend which could be at least partly accounted for by the land supply situation. It is clear that if Trafford is to continue as a magnet for the county more land and houses must be made available. Yet it is equally clear that any serious threat to local farming land would encounter strong opposition: one of the most extensive areas of high-grade agricultural land in the North-West is to be found to the west of Altrincham and Sale.

There is at present no overall shortage of executive housing, partly because of the requirement for mobility built into jobs with so many national and multi-national groups. "The scale of executive movement into and out of Trafford has been put as high as 10 per cent. a year and that's why parts of the borough have a reputation as an estate agents' paradise," said a local councillor. New Georgian-style four-bedroomed houses in a small development at Hale due for completion in April are priced at £37,500. At Timperley, a development of six Georgian-style town houses currently nearing completion are being offered at £19,500. Two-bedroomed flats in a new development in a good setting at Bowdon start from £21,500.

It is still possible to buy a new two-bedroomed town house at Timperley from £9,195. Nearby Sale is the main dormitory town of the district, with modern four-bedroomed detached homes ranging from £16,000 up to £30,000 for the most sought-after locations. At present, according to Stuart Murray, Trafford, estate agents, there are not all that many good four-bedroomed houses on the market. A new three-bedroomed semi at Sale can still be found for £10,000-£11,000.



The Property Market

BY QUENTIN GUIRDHAM

Slough spells out construction delays

"Unless investment opportunities in the U.K. are competitive, investment will inevitably be diverted to countries where systems are more conducive to rapid achievement of investment aims and where the risks are consequently less."

We have heard this before. The difference with the industrial investment case study prepared by Slough Estates, from which the quotation is taken, is that it does not concentrate on the implied threat to strike camp and move to better lands. It also avoids the hollow bravado with which such statements are sometimes made.

What it sets out to do is to compare the time and costs involved in building a 50,000 square feet factory with 10 per cent. office content in Britain, Canada, Australia, Belgium, the U.S., France and Germany. Slough's main point is that when British management is criticised for not investing or delaying investment decisions, "Insufficient credence is placed on the structural difficulties that impede the realisation of investment plans in the U.K."

It backs this view with details at each stage—building specification, architectural drawings, application for permission to develop, pricing, construction and supply of materials—and only once drops the dispassionate tone. That is when, at the construction stage, it blames some of the U.K.'s relatively poor performance on "The absence of a sense of urgency and a conviction by all concerned that it is really possible to do very much better."

First, some of the final conclusions: on a prime cost analysis, the U.K. comes out around the same level as other European countries. Using 100 to express U.K. costs, Belgium's figure is 107, France's 98 and Germany's 87. Australia comes in the same band, and it is the U.S. (74) and Canada (59) which are significantly cheaper.

But on the time element (re the difficulty of making investment decisions) the U.K. is way above anywhere else, 96 weeks, against the next longest programmes of 56 weeks in Germany and France. Canada was quickest, at 27 weeks. On the U.K. project studied, the planning authority determined to grant permission five weeks before actually issuing the document and construction began without it, so the study does not appear to exaggerate the U.K.'s slowness.

This large margin on time shows up more clearly where inflation and cost of money are allowed for over the time period for the project: there is a 22 per cent rise on U.K. project costs, against 14 per cent. in France, 11 per cent. in Australia and Belgium and single figures for the rest.

On a total cost analysis, taking in construction cost and land value, and interest charges on the two (based on August 1975) the U.K. figure moves to 186, against 193 in Belgium, only 144 in France, 126 in Germany and down to 87 in Canada.

The figures are the end of Slough's argument. The explanation for them includes the following:

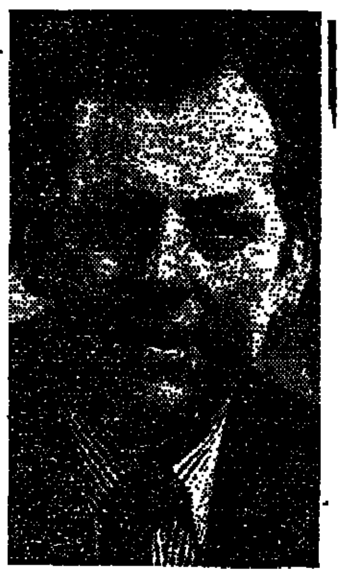
It takes at least twice as long (20 weeks) to produce architectural drawings in the U.K. than most other countries because building contractors are more conservative, there is little standardisation in the availability of materials, systems and components, the U.K. authorities are more demanding and the design teams less flexible—leaving less of the detail to the contractor.

In the U.K. 40 architectural drawings, three electrical and 43 builders' and manufacturers' drawings were needed, against an apparent total of only 13 in Canada. Apart from simplifying planning permission and building regulation procedures, Slough advocates greater acceptance of simplified building methods with British Standards reinforced and redefined for industrial use.

On the period for planning applications, where the U.K. is again, at 26 weeks, taking more than twice as long as most other countries, much of what Slough says will be familiar, including its estimate of 32 weeks for an IDC (where necessary), outline permission and approval of reserved matters to be completed. Perhaps the most significant point, in terms of investment decisions, is the following:

"For the purpose of the survey, it was assumed that the sites to be developed would have the benefit of either industrial zoning or allocation on a development plan. In the case of the U.K. such an allocation merely implies that permission *might* be granted for the appropriate purpose subject to application being made. In all other companies industrial zoning defines the use for which the land may be developed subject only to compliance with the appropriate zoning rules."

Another point on this subject is revealing: "Abroad the emphasis is on the fact that a developer will comply with published codes. Consequently in many cases, before the building may be occupied, a certificate of compliance is issued. Breaches of codes are severely penalised. In the U.K. the principle would appear to be that unless the administrative machine monitors the project at each stage the developer will inevitably breach the code."



Mobbs of Slough: persuading.

On pricing, at last the British are not the slowest. They are the second slowest (at 11 weeks) with the Germans taking 17. Perhaps there is a moral there, but, seriously, Slough again suggests that improved design factors, standardisation of components and a simplified form of Bill of Quantities could improve matters here.

On construction, the British take 57 weeks, against an average of around 30 weeks in other parts of Europe. Among the reasons given are these:

Poor delivery of materials with long delays on site. Lack of a suitable range of standard components, interchangeable with those from other suppliers. Lack of plentiful supply of standard low cost items of mechanical equipment such as heating units, electrical switchboards, plumbing fixtures. On material delivery time, the British case study experienced longer delays for the frames, wall cladding, roofing and electrical equipment than in any other country.

While saying that industrial relations on British sites were often superior to those abroad, Slough nevertheless noted "The utilisation of out-dated building methods particularly on site and restrictive practices and demarcation among labour" as a factor in the 20 weeks longer that the construction took over its nearest rival in Belgium.

BPF change

Lucas of BPF: leaving.

Victor Lucas will not be standing for re-election as president of the British Property Federation in May. He wants to try his hand at some new ventures, such as the Little Neddy he has just joined, and has done a pretty hard stint over three difficult years. His appointment, at a time when the Federation was almost completely rebuilt, and when it was important to have someone to cool down the more egocentric members, was a canny one.

In the normal course of events, the successor would be the senior vice-president. That is Sir Richard Thompson, former MP, junior minister, and presently chairman of Capital and Counties.

Calling in the LAMS

The Department of the Environment has invoked its reserve powers to impose a land acquisition and management scheme (LAMS)—the first stage at local authority level in preparing to implement the Community Land Act—on the Greater London Council. Last week it did the same to Greater Manchester.

The schemes were first called for by December 31 last year. Their purpose was largely to make clear, within two-tier authority systems, how strategic and second tier authorities would divide their responsibilities under the Act.

When it was clear that many authorities could not complete the schemes in time, an extension was granted. But there are now only three and a half weeks to go before the first appointed day for the land scheme to come into operation.

So far 30 LAMS have been submitted, with 14 still to come in addition to the two called in. Greater London and Greater Manchester are the only cases where reserve powers have yet been used to allow Mr. Anthony Crosland, Secretary of State for the Environment, to impose schemes.

This week's statement from the DoE said that "Although authorities in Greater London reached a substantial measure of agreement on a land acquisition and management scheme there were one or two points outstanding which prevented complete agreement." It added that the imposed scheme would be based "on the extensive measure of agreement already reached between the authorities."

The basis of agreement was that land acquisition powers under the Act should be divided on the same lines as present planning regulations. It is thought that 32 out of 33 London boroughs, plus the GLC, agreed.

One objector was Hammersmith Borough Council, which felt this gave the GLC too wide powers to acquire housing land.

In the case of both London and Manchester the measure of agreement was such that it would be false to suggest that authorities are finding it difficult, or are reluctant, to co-operate with the Act. Perhaps the terminology of "reserve" powers and "imposed" LAMS is stronger than the reality.

Nevertheless, beside Manchester, there are still [...] of the six new metropolit[...] to submit LAMS, a high[...] tion. The others are Sou[...] shire and Tyne and Wes[...] the other authorities who [...] submitted were Suffolk [...] land, Nottinghamshire, North Yorkshire, Esse[...] wall, Surrey, Ha[...] Cheshire, Humberside a[...] fordshire.

If the Minister felt [...] running out in the [...] Greater London, presum[...] these are due for impos[...] within the next week or [...]

OUT AND AB[...]

● The Post Office Su[...] tion Fund, biggest [...] nationalised pension f[...] confirmed the decisi[...] some time back to spli[...] sultancy arrangement [...] Thorpe and Partne[...] advisors on property [...] fund was started, no[...] what are called "i[...] commercial, agricultu[...] other categories of r[...] Jones, Lang, Woot[...] started acquiring and [...] the office investments.

The fund's present [...] portfolio amounts to £[...] is growing by £80m. a [...]

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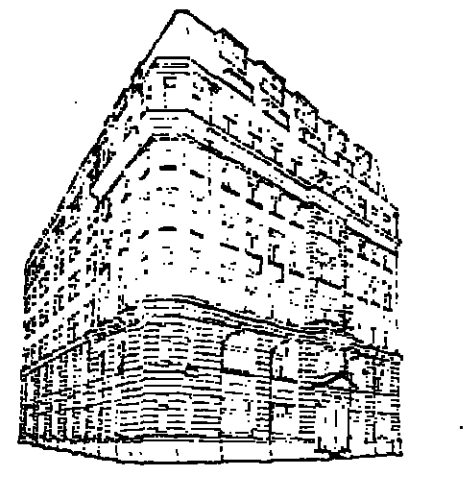

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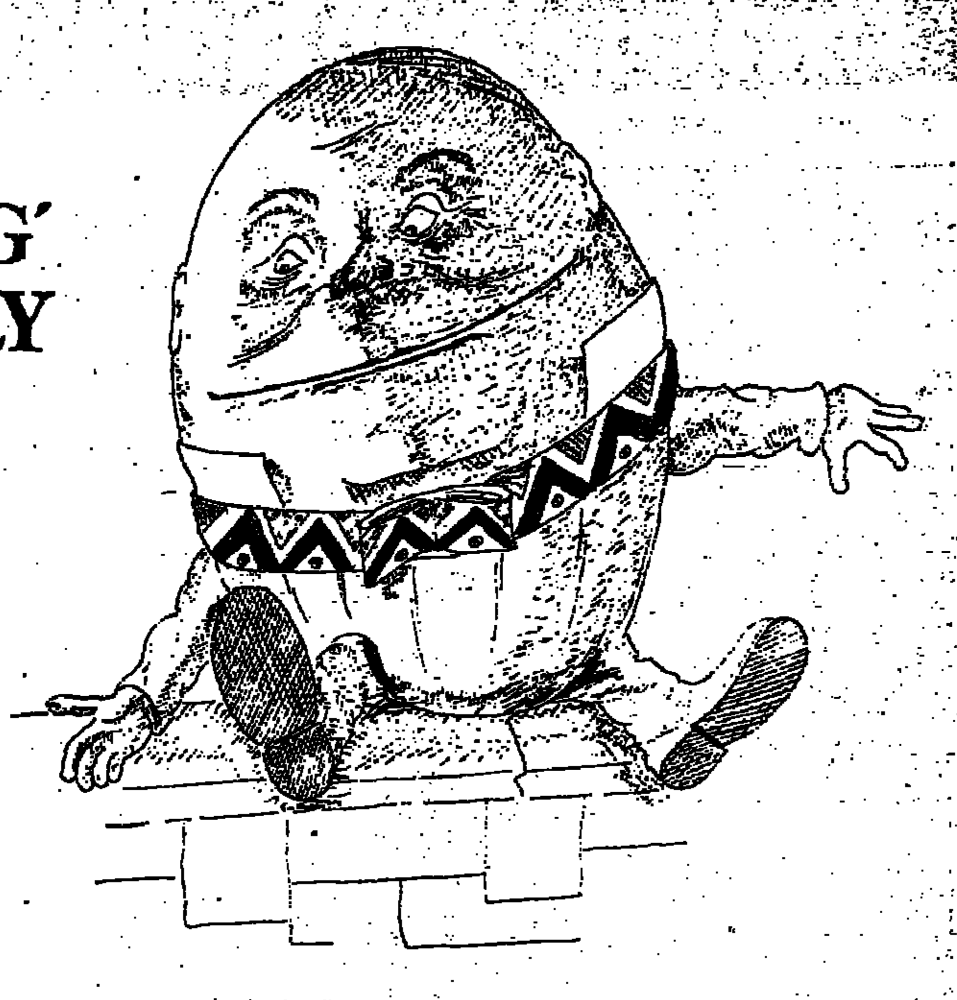

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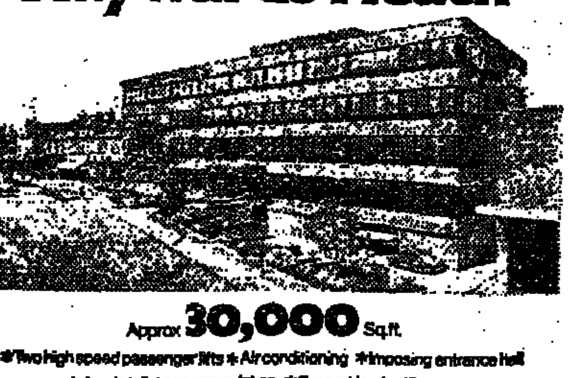

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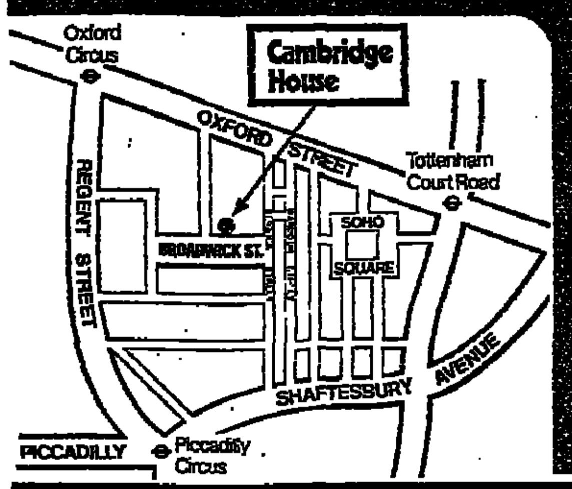

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£195,000
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FARMING AND RAW MATERIALS

Bangladesh raises jute values

By Our Own Correspondent

DACCA, March 11.

EXPORT PRICES of all grades of jute in Bangladesh have been raised by £2 to £3 a ton. This is the second increase in jute export prices in less than two months.

Bangladesh Jute Association sources believe that the decision has been made in view of a greater demand for Bangladesh fibre abroad.

In New Delhi, meanwhile, an official committee headed by Mr. Bose Mullick, Secretary in the Commerce Ministry, has concluded that there is no need to cut raw jute production and has recommended the easing of credit terms for jute mills facing financial trouble.

The commitee says that there is no case for a cut in output, even if exports are not rising. The Indian Jute Mills Association has not been able to establish a case for production cut.

APRIL START FOR MICRON WOOL CONTRACT

Sydney Futures Exchange chairman Mr. Desmond Brook, said in Sydney that trading on micron measurement would start on April 1.

Trading in the micron contract would begin with the July 1977 and October 1977 delivery months. Trading in the present subjectively appraised contract would continue for the currently quoted delivery months.

The size of the contract remained at the existing 1,500 kilos clean weight.

Reuter

U.S. SIGNS TIN AGREEMENT

U.S. delegate, at the United Nations, Mr. Tapley Bennet, yesterday signed the fifth International Tin Agreement on behalf of his Government. An official statement said President Ford would transmit the accord to the Senate for its advice and consent to ratification.

The U.S. has not been a party to the current, or previous, agreements. The new one is due to go into effect on July 1, for a five-year period.

Philippine oil 'starts to flow'

The Philippines clamped down yesterday on the outflow of capital after President Ferdinand Marcos said "oil is starting to flow" in one of the nation's offshore drilling sites and the stock market immediately took a mildly bullish upturn, AP-DJ reports from Manila.

New U.S. retaliation threat on Community skim plan

BY ROBIN REEVES

BRUSSELS, March 11.

THE COMMON MARKET'S 1.2m. tonnes skimmed milk powder "mountain" is beginning to assume Himalayan proportions. A senior U.S. official to-day promised vigorous retaliatory action against the Community for deciding to rid itself of part of the milk powder surplus by incorporation in animal feeds.

In Brussels, representatives of New Zealand, Australia and Canada met EEC Commission officials to urge more vigorous action to solve the surplus problem before it does serious damage to their dairy industries.

There are an estimated 2m. tonnes of surplus skimmed milk powder in thet world—enough to met normal international trade needs for three years.

Besides the EEC's 1.2m. tonnes, N.Z. has a stockpile of 300,000 tonnes, equivalent to 18 months production. Australia has some 100,000 tonnes in stock, Canada 150,000 tonnes and the U.S.—traditionally an importer of skimmed milk powder—a stock of some 200,000 tonnes.

The manageable U.S. skim surplus did not prevent Mr. William Walker, head of the U.S. delegation to the Geneva multilateral trade negotiations from reiterating that the EEC can expect strong retaliatory action for daring to defy previously-voiced U.S objections to the animal fed scheme.

The scheme was agreed at last week's farm Ministers' Council as part of the overall agricultural prices package. In deference to American feelings, the amount to be incorporated in feed was cut from 800,000 to 400,000 tonnes over the next 7½ months, a further 200,000 tonnes to be used in food aid.

But the U.S. is unimpressed. Describing the move as "fundamentally protectionist," Mr. Walker said: "The EEC Council's decision to impose a deposit scheme affecting soyabean imports threatens a $2bn. U.S. market.

"It is coupled, moreover, with dairy price increases which will ensure that the surplus of skimmed powder will continue to grow."

Mr. Walker dismissed the Council's efforts to appease the Americans by sanctioning expenditure of some £5m. on storage premiums to encourage the build-up of a 250,000 tonnes soyabean stockpile.

"Its eventual disposal will have a disruptive affect on the market." He refused to be drawn on the precise form that retaliatory action was likely to take. An official complaint to GATT was just one of the obvious optinns, he said.

Dairy industry leaders from Australia, Canada and New Zealand, plan to see Mr. Pierre Lardinois, the Commissionner responsible for agriculture, tomorrow morning, to press for more urgent action to dispose of the surplus.

According to some reports, NZ is threateaing to break the unacknowledged international agreement on a minimum export price for skimmed powder—to fiet its sales moving.

The NZ Dairy Board is under intense pressure to do something to reduce its stockpile, which is proportionately bigger than the Community's.

Given that the EEC's purse is also bigg erthan NZ's, it seems likely that NZ is asking for co-operation ensuring that its price cuts are not entirely nullified.

Informed sources here rule out a cut below $350 a tonne—the GATT minimum price. For dairy boards to go below it would first involve a lot of inter-Governmental haggling.

USSR sugar purchase estimated

NEW YORK, March 11.

INFORMED TRADE sources now estimate that the USSR may have bought between 200,000 to 250,000 tonnes of sugar from the Philippines for shipment in the second quarter of the year.

They say Cuba may have acted as an intermediary in the large sale of Philippines sugar. A formal announcement of the sale is expected to be made soon.

Reuter

Potato prices going steady

BY RICHARD MOONEY

POTATO PRICES are unlikely to rise much more, according to a spokesman for the National Federation of Fruit and Potato Trades.

Mr. Dick Saner, the Federation's publicity director, said yesterday that, with consumption still failing, "we should be able to get through the season without undue alarm." However, prices were also unlikely to fall much.

The Federation is, nevertheless, still pressing for the suspension of EEC duties on potato imports from third countries to be extended beyond March 28, when the duties are scheduled to come back into force.

Were it not for the suspension, recent imports of ware type (main crop) potatoes from Egypt, India and Morocco would have attracted a duty of 14.4 per cent, plus 2p for 100 kilos. The duty on the new potatoes—which should start arriving in quantity around the middle of this month—would be 12 per cent, plus 2p per 100 kilos.

News on the tomato supply situation is less encouraging, however. Mr. Matthew Mack, the Federation's president, warned that with prices already 15 per cent. above last year's level, at around 40p a pound, further rises could be expected. Tomatoes might cost up to 60p a pound next month and high prices were likely to continue for several months. "Supplies are as low as I can ever remember them," he said.

The oil crisis has meant that home grown supplies are also likely to be in relatively short supply this year, the high cost of heating having encouraged many U.K. glasshouse farmers to switch to cucumbers and lettuces, which require less heat.

Tomato prices might already be dearer, had a Dutch proposal to introduce a new EEC reference price a month earlier than usual been successful. The reference price, expected to be 8 per cent. above last year's level, is scheduled to be introduced on April 1, but the Dutch had proposed that this should be brought forward to March 1.

Though the proposal was defeated, following fierce criticism from the U.K. and West Germany, the Federation feels that some damage may have already been done to tomato supplies.

A spokesman said that the proposal itself had damaged the confidence of Canary Islands producers, who had in turn restricted supplies to the European Community for fear of incurring higher import duties.

"We suspect that Canary Island producers have been withholding quite a quantity of their tomatoes from the EEC generally," said Mr. Denis Mead, the Federation's chief executive.

Commodity prices fall as £ climbs

By Our Commodities Staff

THE FIRMER tone of sterling yesterday led to a general trimming of the gains in commodity markets recently in response to the decline in the value of the pound.

All base metal prices were lower, led by tin which fell by £72.5, to £3,500 a tonne for cash. Cash copper wirebars lost £9.75, to £675 a tonne, while smaller losse were registered by lead and zinc.

In a new round of producer lead price rises, Noranda, Amax and St. Joe minerals have raised the price to 21 cents a pound, while Asarco and NL Industries increased theirs to 20 cents.

Lack of unanimity in the rises seems to indicate some uncertainty as to the correct level. Trade sources suggested that the prices would probably be brought into line with each other before long.

Leading soft commodity prices were also lower on the London market. May delivery cocoa fell by £4.5, to £761.25 a tonne, while May coffee lost £11.5, to £880.5. August sugar was more than £5 lower, at £19.3 a ton, and No. 1 RSS spot rubber down 0.5p, at 42.25p a kilo. Defying the trend was the Bradford wooltops 64s price, which gained 3p to a 22-month peak of 226p a kilo.

Ivory Coast cocoa output well down

ABIDJAN, March 11.

IVORY COAST cocoa production so far this season was well down on last year's owing to widespread drought in the central cocoa belt, commodity experts said here.

Production this season could climb to 200,000 tonnes from the current production level of around 180,000. The sources added that, as a result of dry weather, only two pickings instead of the normal three had been possible.

Last season the Ivory Coast's production of 240,000 tonnes made it the world's third largest cocoa producer.

Reuter

W. GERMANY TO SIGN COFFEE PACT

WEST GERMANY had decided to join the new International Coffee Agreement, the Economics Ministry said in Bonn. The Agreement begins on October 1 and will last six years.

Reuter

FARM PRICE REVIEW

Basis for confidence and expansion

BY JOHN CHERRINGTON, AGRICULTURE CORRESPONDENT

FARMERS IN general and the Ministry of Agriculture have welcomed the results of the Brussels and U.K. price reviews as providing some basis for confidence and expansion. They were, I believe, pleasantly surprised by the increases for milk and sheep in particular, and are in no way disposed to examine the small print too closely or question a policy which, on the face of it, will simply build up still greater surpluses of milk and some other products.

It is a measure of the shortsightedness of farmers and their Ministers, that the effects of these policies on consumption have been completely disregarded.

That being said there is certainly enough confidence abroad now for some increased production and generally speaking this will almost certainly be most clearly marked in milk. In fact the process has already started. Output at present is running at around 7 per cent. more than at the same time last year, and has been due to feeding increased quantities of compounds to a national herd which is 5 per cent. smaller.

Favourable

The formula for the use of compounds for milk production is to feed 4 lbs of compound feed for each gallon produced over maintenance. At present prices of about £85 per ton this costs 16 pence and a gallon will be returning over 40 pence. This ratio has never been so favourable in my memory. And the only reason that still more milk is not coming onto the market is because there are still many farmers who have not woken up to the opportunity. Even if compound costs rise to the full French level of £110 per ton by 1978 with the end of transition, there will still be a reasonable margin.

When increased milk production was being advocated in the White Paper "Food from our own Resources" it was generally believed that this would come from greatly improved use of grassland with the aid of heavy dressings of nitrogen fertiliser. But it is easier to produce milk from heavy yielding cows from compound feeds than from grass, because the intensification of grass becomes progressively more difficult to achieve, because of its variations in quality.

Feeding

That there is scope for increased milk production is evidenced by the yields of British cows which would have to rise by 10 per cent. to equal those in Holland. So there could be a 10 per cent. increase in total output simply by better feeding without adding to herd numbers or acres devoted to them. There will almost certainly be an increase in the national dairy herd, as farmers come to realise that purchased feed will be able to add to their stocking capacity.

The reviews do not give the same incentive to beef. Because the beef animal is a bad converter of grain, the margin over feed costs is probably a fraction of that of milk production, either from compounds or from grass. The production cycle is a long one of two years or more, and the withdrawal of the calf and beef cow subsidy expected in 1978 will aggravate the cash flow problems of specialist production.

It does look as though the fall in cattle numbers caused by the 1974 slump has been arrested, and probably reversed. But numbers are still very high for the acreage available, and a bad summer and winter could soon get the rearing areas in the west of England and Wales in trouble again.

The increased guarantees for sheep and wool will undoubtedly arrest the decline in numbers, and hill and lowland farmers have nothing to complain about. But neither with sheep or cattle, will any rise in the breeding herd be sudden and dramatic. It takes up to four years to rear a cow from conception to the point of calving and just over half that time for a ewe to lamb.

Pig and poultry farmers face an uncertain future. There is little protection for them under the EEC's Common Agricultural Policy, and they face a certain increase in their cereal feed costs over the next 18 months of 25 to 30 per cent., in addition to increased costs of protein under the recent review arrangements for skim milk powder. The fall in the sterling exchange also raises the hazard of the importation of Community supplies, subsidised by the effects of the monetary compensatory amounts.

Over supply

This is an important branch of British farming, representing over 22 per cent. of all sales, but very vulnerable to cycles of over-supply, either here or in the rest of the Community. For this reason any increase in numbers would be dangerous to the viability of the industry, just as it was in 1974.

The arable sector; cereals, sugar beet and potatoes are unlikely to raise any problems this year unless there is a monumental drought for the second year running. There is unlikely to be any expansion in output over normal supplies of cereals until there is a breakthrough in breeding and disease control which may be on the way before too long.

The main effect of the Community review has been to institute a two-tier guarantee for milling and feed wheat which will be difficult if not impossible to interpret.

Thailand seeks new markets for rice

BANGKOK, March 11.

EKPORTS OF Thai rice are meeting increased competition in world markets, not only from big rice exporting countries like the U.S. and China, but also from new exporters like Cambodia and Vietnam, says the Thailand-National Economic and Social Board.

With Thailand's regular markets falling off, it was necessary for the Government to sign agreements with foreign countries and seek new markets, the Board says in its latest bulletin.

The Bank of Thailand said that the country's rice exports in 1974 were valued at $489m., or 19 per cent. of total exports.

While the world supply of rice increased because of higher production, demand from consuming countries is on the downturn.

Barring natural disasters in producing and consuming countries, Thailand will export between 900,000 and 1.4m. tonnes a year from 1977 to 1982.

COMMODITY MARKET REPORTS AND PRICES

BASE METALS

THE RECOVERY of sterling against the U.S. dollar brought about the first fall in base metal prices on the London Metal Exchange for seven trading days. Nervous selling and profit-taking were the main factors behind the downturn coupled with short selling. In copper fresh bouts of speculative interest were ... [illegible]

Amalgamated Metal Trading reported that in the morning cash wirebars traded at £679.5: three months £702, 01, 01.5, 01, 700.5, 700, 699, 98, 97, 98, 98.5, 99. Cathodes: Cash £670, 69: three months £689. Kerb: Wirebars: Three months £696, 95, 95.5. Afternoon: Wirebars: Cash untraded: three months £694, 95, 95.5, 94, 94.7, 93, 95, 97, 94.5, 97, 96, 95, 94.5, 94. Cathodes: Mid-June £685: three months £685, 85.5. Kerb: Wirebars: Three months ... [illegible]

COPPER	a.m. Official	+ or —	p.m. Unofficial	+ or —
	£	£	£	£
Wirebars				
Cash	679.5-80	−4.75	674.5 5.5	−9.75
3 months	698.5-9	−5.5	695.5-4	−9.5
Settlem't	680	−5	—	......
Cathodes				
Cash	669-.5	−4.5	663.5-4.5	−10
3 months	688-.5	−4	682.5-3.5	−10
Settlem't	669.5	−4.5	—	......
U.S. Prod.	—	......	*65	......

TIN—Fell away despite the further rise in the Penang market overnight. Feelings in some quarters that there may have been offerings of metal here on behalf of the buffer stock manager gave added impetus to the downward movement which stemmed from profit-taking and short-selling. A little European physical demand was reported at the lower levels, however, and standard forward metal ended the day at £3,565 after being £3,533 at one time. The market was also a little nervous about the outcome of the current ITC talks being held in London. Turnover, 710 tonnes.

TIN	a.m. Official	+ or —	p.m. Unofficial	+ or —
High Grade	£	£	£	£
Cash	3560-80	−55	3530-60	−60
3 months	3600-20	−65	3580-600	−65
Settlem't	3580	−60	—	......
Standard				
Cash	3530-5	−67	3495-505	−72.5
3 months	3580-5	−60	3550-60	−56
Settlem't	[illegible]	[illegible]	[illegible]	[illegible]

Morning: Standard: Cash untraded: three months £3,610, 05, 2,600, 3,595, 90, 85, 80, 85. Kerb: Standard: Cash £3,520, 25: three months £3,580, 70. Afternoon: Standard. Cash untraded: three months £3,580 75, 60, 55, 60. Kerb: Standard: Mid-March £3,510: three months £3,560, 55, 60, 65.

LEAD—The downturn in prices was cushioned by further U.S. producer price rises overnight of between one and two cents a pound to 21 cents at the higher level. The different rates of increase were thought to reflect uncertainty among producers as to the current strength of the market. Forward metal ended here at £202 after being £200 at one time. Turnover, 6,900 tonnes.

LEAD	a.m. Official	+ or —	p.m. Unofficial	+ or —†
	£	£	£	£
Cash	196-.5	−1.75	195.5-6.5	−1.5
3 months	202-.5	−2.12	202-.25	−1.62
S'ment	196.5	−1.5	—	......
N.Y. Spot	—	......	19-22½	......

Morning: Cash £198, 98: early-June £204.5, 04: three months £205, 04.5, 03.5, 03, 02. Kerb: Three months £202. Afternoon: Cash untraded: three months £200, 01, 01.5, 02, 02.5, 02.25, 02, 02.25. Kerb: Untraded.

ZINC—Gave ground in line with the general trend, forward metal falling to £380 before closing at £381 on the afternoon Kerb. Turnover, 4,600 tonnes.

ZINC	a.m. Official	+ or —	p.m. Unofficial	+ or —
	£	£	£	£
Cash	371.5-2	−2.25	370.5-1.5	−5.5
3 months	382.5-3	−1.5	381.5-2	−5.5
S'ment	372	−2.5	—	......
Prm. West	—	......	*37.9	......

* Cents per pound. † On previous unofficial close. $ $M per picul.

Morning: Cash £372.5, 71.5: three months £384, 83.5, 82, 82.25, 82.5, 83, 83.5, 84, 84.5, 82, 81, 82, 82.5, 83, 82.5. Kerb: Three months £381. Afternoon: Cash £370: three months £380, 80.5, 81, 81.5. Kerb: Three months £381, 81.5, 81, 80.5, 81.

SILVER

Silver was fixed 1p an ounce higher for spot delivery in the London bullion market yesterday, at 223.7p. U.S. cent equivalents of the fixing levels were: spot 428.1c, down 1.8c; three-month 433.2c, down 2.2c; six-month 440.4c, down 2.6c; and 12-month 456.6c, down 2.8c. The metal opened at 224½-225½p (430-432c) and closed at 219.6-220.6p (425-427c).

SILVER per troy oz.	Bullion fixing prices	+ or —	L.M.E. close	+ or —
Spot	223.7p	+1.0	220.6p	−4.5
3 months	228.8p	+1.0	226.6p	−4.05
6 months	234.7p	+1.0	—	......
9 months	—	......	232.75p	−4.06
12 months	247.5p	+1.0	—	......

LME—Turnover 287 (403) lots of 10,000 ozs. Morning: Three months 229.5, 9.4, 7.7, 7.8, 7.4, 7, 7.2, 7.3, 7.4, 7.3. Kerbs: Three months 227.4, 7.3, 6.8, 7. Afternoon: Three months 226.5, 6.8, 6.9, 6.8, 6.7, 5.7, 5.8, 5.7, 5.6. Kerbs: Three months 225.5, 5.6, 5.7, 5.5.

COCOA

Currency fluctuations provided a nervous background to trading. In the end, cocoa prices gave ground as sterling improved, with near months most affected, reports Gill and Duffus.

COCOA	Yesterday's Close	+ or —	Business Done
No.3 Contract			
March	786.0-86.5	−6.0	799.0-82.0
May	761.0-61.5	−4.5	771.0-60.0
July	744.0-44.5	−3.5	752.0-42.5
September	722.5-23.0	−4.75	729.0-20.0
December	701.5-02.0	−2.0	708.0-01.0
March	691.0-92.0	−3.25	698.0-90.0
May	682.0-83.0	−2.0	690.0-88.0

Sales: 2,292 (4,970) lots of 10 tonnes.

Latest International Cocoa Agreement prices, U.S. cents per pound—Daily 62.83 (63.54); 15-day average indicator 63.73 (65.83); 22-day average 64.05 (64.21).

COFFEE

Robusta closed lower. Trade sources said the market declined due to sterling's rally and profit-taking.

Arabicas closed day dull with prices 75 to 195 points down.

[illegible]

RUBBER

ABOUT UNCHANGED opening on the London physical market. Fair interest throughout the day, closing uncertain. Lewis and Peat reported a Malaysian godown price of 189 cents a kilo (buyer, April).

[illegible]

SOYABEAN MEAL

[illegible]

SUGAR

[illegible]

WOOL FUTURES

[illegible]

COTTON

[illegible]

FREIGHTS

[illegible]

GRAINS

[illegible]

JUTE

[illegible]

MEAT/VEGETABLES

SMITHFIELD (pence per lb)—Beef: Scottish killed sides 37.0 to 39.0. English hindquarters 45.0 to 47.0, forequarters 29.0 to 31.0, Eire hindquarters 44.0 to 46.0, forequarters 29.0 to 30.0. Veal: English bobbies 15.0 to 22.0. Scottish bobbies 18.0 to 20.0, Dutch hinds and ends 62.0 to 68.0. Lamb: English small ... [illegible]

... Celery—Spanish: Prepacked 18/36 2.50-3.30: Israeli: 3.30. Cauliflowers—French: Per 24 3.70. Chicory—Belgian: Per 5 lbs 1.40-1.50. Walnuts—Californian: Per pound 0.27-0.28.

English produce: Lettuce—Per 12 round 0.80-0.90. Mushrooms—Per pound 0.28-0.30. Potatoes—Per 56 lbs Whites 4.90-5.00. Edwards 5.00-5.30. Apples—Per pound Cox's Orange Pippin 0.11-0.14, Bramley's 0.08-0.11; Laxtons 0.06-0.08. Pears—Per pound Conference 0.12-0.14. Sprouts—Per pound 0.08-0.09. Onions—Per 56 lbs 3.70-4.20. Swedes—Per 28 lbs Devon 0.40-0.50. Carrots—Per 28 lbs 0.45-0.70. Cabbages—Per bag, Primo 1.00-1.10. Rhubarb—Per pound outdoor 0.10, indoor 0.10. Cucumbers—Per box 12/18 2.00-2.40. Cauliflowers—Per 12 1.80-2.00.

★

COPRA—Philippines: April $207½ quoted. May and June unquoted, per tonne c.i.f. North European ports.

Scapa Flow's sunken barges to be salvaged

Salvage work is to start in Scapa Flow on two barges sunk during the January gales off the oil terminal island of Flotta in Orkney. The two barges, of 500 and 700 tons, were involved in the present contruction by Costain of a £5m. pier at Flotta.

The contract has been given to Scapa Flow Salvage Company, based at Hoy, Orkney.

PRICE CHANGES

Prices per ton unless otherwise stated.

[illegible]

* Nominal. ‡ Seller. § Unofficial close. ♣ Indicative price. b U.K. and Commonwealth refined. c Uganda Robusta standard grade indicative prices f.o.b. Mombasa U.S. cents a pound. d Bangladesh white "C." t Unquoted. a Seller's quotation. h Jan.-March. x Metric tons. ¶ Sept.

FINANCIAL TIMES

Mar. 10	Mar. 9	Month ago	Year ago
189.32	188.71	180.67	172.82

(Base: July 1, 1952=100)

REUTER'S

Mar. 11	Mar. 10	Month ago	Year ago
1271.5	1274.1	1219.3	1088.9

(Base: September 18, 1931=100)

DOW JONES

Dow Jones	Mar. 10	Mar. 9	Month Ago	Year ago
Spot	313.51	315.24	305.91	314.27
Futures	306.22	305.96	299.56	293.75

(Average 1924-25-26=100)

MOODY'S

Moody's	Mar. 10	Mar. 9	Month ago	Year ago
Sple Commdty	784.2	790.1	775.5	756.1

(December 31, 1931=100)

★

GRIMSBY FISH—Supply fair, demand good. Prices at ships' side (unprocessed) per stone: Shelf cod £2.20-£2.60; codlings £1.80-£2.40; large Shelf haddock £2.30-£2.80, medium £2.20-£2.50; small £2.00-£2.30; large plaice £2.50, medium £2.70, best small £2.20; medium skinned dogfish £5.00, large £6.00; rock fish £1.20-£1.98; reds £1.10-£1.30; saithe £1.00-£1.26.

U.S. Markets

All metals strong as £ weakens

NEW YORK, March 11.

[illegible]

CONTRACTS AND TENDERS

STOCK EXCHANGE REPORT

Nervous reaction in gilts and equities close easier

Share index down 2.3 at 411.8—Properties weaken

Account Dealing Dates
Option

*First Dealings	Declarations	Last Dealings	Account Day
Feb. 23	Mar. 4	Mar. 5	Mar. 16
Mar. 8	Mar. 18	Mar. 19	Mar. 30
Mar. 22	Apr. 1	Apr. 2	Apr. 13

"New time" dealings may take place from 9.30 a.m. two business days earlier.

With the plight of sterling still dominating sentiment, stock markets passed another nervous *session yesterday*. British Funds were highly volatile, particularly at the short end of the market where rumours of a sharp rise in Minimum Lending Rate to-day and talk of a call for an increase *in clearing banks' special deposits* sparked off a sharp shakeout in the latter part of the morning. Initial small olsses were quickly extended to a full point before a modest rally left final quotations *a little above the worst with falls* extending to ¾. The longs' moved downwards in sympathy, but losses here were only to ½. The final tone, however, was still very tender, the outcome of *to-day's trade figures for February* adding to the general uncertainty. The Government securities index fell 0.49 to 61.84.

After a firm start, leading Industrials eased in line with Gilts and, with the tone being unsettled further in the late afternoon by news of the proposed liquidation of Amalgamated Investment and Propetry, most prices ended a penny or so easier on balance. Up 1.8 at 11 p.m., the FT 30-share index closed a net 2.3 lower at 411.8. Trade was again at a low level, with official markings of 7,872.

Overall, it was a day of mixed movements in equities, but rises *had the edge over falls by 5—4* in FT-quoted Industrials, while the FT-Actuaries All-Share index hardened 0.5 per cent. to 169.47. Properties, however, were unsettled by the Amalgamated Investment and Property situation, this being reflected in a fall *of 1.0 per cent. to 169.65 in the FT-Actuaries index for the sector.* In contrast, Oils were good again with the help of the Royal Dutch/Shell group annual figures; the FT-A index for Oils rose 0.7 per cent. to a 1975/76 peak of 356.25, in turn *lifting the 500 Share* index also to a 1975/76 peak of 179.18, up 0.6 per cent.

Revived institutional selling followed in the wake of a steadier pound and the investment currency premium reacted from 106 per cent. to 100½ per cent. before closing a net 3½ points down at 102¼ per cent. Yesterday's S.E. conversion factor was 0.6658.

Hughes Tool were a bright market in Recent Equities, closing 2¾ up at £33½.

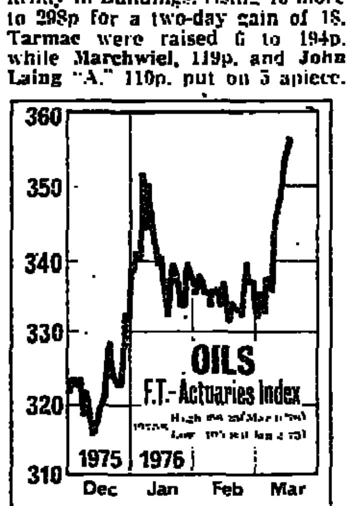
Discounts react

Rumours that the Bank of Eng*land will hoist the Minimum* Lending Rate by a full 2 per cent. to-day brought about a sympathetic reaction in Discounts. **Gerrard and National** lost 15 to 285p and **Union** declined 13 to 335p, while **Cater Ryder** shed 12 to 268p and **Seccombe Marshall and Campion** 10 to 275p. **Alexanders** gave up 8 at 225p and **Gillett Bros.** receded 5 to 198p. The MLR rumours also unsettled the big four Banks, which traded nervously. However, the closing trend was steady to firm with **Lloyds** 3 dearer at 228p and the "new" nil-paid shares unaltered at 15p premium, after 18p. **Midland** hardened 2 to 280p. Overseas issues closed firmer for choice, with **Hongkong and Shanghai** 3 to the good at 333p, after 340p.

For the third consecutive day, Insurance Brokers pushed forward. **Brentnall Beard** were par*ticularly good at 98p, up 6, while* **Sedgwick Forbes** improved 4 at 260p, for a gain so far on the week of 18. **Leslie and Godwin** were wanted again and touched 133p before closing 2 better on balance at 130p. Composites were mixed, with Sun Alliance 3 dearer at 458p, but Eagle Star 2 off at 139p.

Little of interest took place in Brewers and Distillers. **Macallan Glenlivet** hardened 5 to 100p following the interim figures.

Taylor Woodrow continued firmly in Buildings, rising 10 more to 298p for a two-day gain of 18. **Tarmac** were raised 6 to 194p, while **Marchwiel**, 119p, and **John Laing "A,"** 110p, put on 5 apiece.



L. Fairclough moved up 4 to 206p in front of to-day's preliminary figures, while Press comment helped **Whatlings** close ½ firmer at a 1975-76 peak of 11½p. **RMC** hardened 3 to 101p and **Redland** advanced 4 to 108p. **Galliford Brindley**, however, finished a penny off at 45p, after 48p, despite *the substantially higher interim* earnings.

Chemicals were generally better where changed, sentiment being helped by an encouraging survey on the industry's prospects. *After touching 402p, ICI closed un*changed on the day at 400p. **Revertex** put on 3 at 81p as did **Allied Colloids** at 114p. **Fisons**, however, finished 7 easier at 388p.

Stores closed on a dull note. **Burton "A"** receded 3 to 81p, while **F. W. Woolworth** shed 1½ to 61p and **Marks and Spencer** *declined 2 to 98p. Maple* **Macowards** lost a penny at 10p following the news of the company's decision not to pay the May dividend on its Preference shares. **Wilkinson Warburton**, *however, hardened 2 to a 1975-76* peak of 55p in response to the increased dividend and earnings. Other isolated firm spots included **Customagic**, 2 better at 23p, and **Status Discount**, 3 harder at 45p. Shoes edged higher, **Ward White** finishing a penny better at 22p and **Stylo** 1½ firmer at 24½p.

The Electrical leaders failed to attract much interest and stayed close to overnight levels, although **EMI** encountered profit-taking and gave up 4 of the recent advance to 270p. **BICC**, with annual results due next Tuesday, improved afresh to 130p before coming to rest unchanged on the day at 128p. There was no decided trend in secondary issues, where **George H. Scholes**, on fresh support in a thin market, closed 6 higher at 210p ahead of to-day's first-half results. **United Scientific** *continued to meet speculative in*terest and added 4 at 122p, while **Bowthorpe** firmed 3½ to 40p and **Fidelity Radio** 2 to 76p. The Japanese **Sony** moved ahead 90 to 730p on Overseas advices.

Medium-sized Engineerings came more into their own and gains of 5 were established by **Pegler-Hattersley**, 168p, **Blackwood Hodge**, 151p, and **Stone-Platt**, 103½p. Not very far behind were **CompAir**, 83½p, **McKechnie Bros.**, 74p, and **600 Group**, 77p, with rises of 3 to 4. In more restricted markets, **Rotork**, 157p, and **Renold**, 150p, moved up 5 apiece. **Weyburn** remained firm at 605p, up 10 further, and *British Northrop* were raised 4 to 92p. News of the unexpectedly good second-half *and proposed scrip issue* lifted **Thomas Robinson** 4 to 60p. **Tube Investments** tended to fluctuate and after rising to 362p reacted to close a net 2 lower at 354p, but **GKN** *improved 3 more to 345p*, after 347p. Of the few easier *counters, TCK lost 4 to 98p.* Shipbuildings were less interesting and a little irregular: **Vosper** shed 3 to 79p, but **Yarrow** gained that much to 156p.

Foods gave up early gains and closed *little* altered on balance. **Associated British** edged up 2 to 62p, but **Cavenham** finished a penny easier at 134p, after 137p, and **Tate and Lyle** 2 easier at 273p, after 277p. **Needlers** reacted 3 to 24½p following the preliminary figures. **Associated Fisheries** contrasted with a rise of 3 to 27p on small buying in a thin market, while other firm spots included **Fox's Biscuits**, 4 up at 112p, and **Harry Vincent**, 5 higher at 70p. In Supermarkets, **Tesco** eased a penny to 40½p on some sizeable selling.

Stigwood rise

After showing initial firmness, miscellaneous Industrial leaders eased to end on a mixed note. **Rank Organisation "A"** managed to improve 4 to 152p, helped by the associated Rank Xerox chairman's optimistic statement on the company's medium-term growth prospects. **Glaxo** ended 3 better at 380p, after 383p, and **Beecham** 2 up at 362p, after 366p, but *Boots, 138p, and Bowater, 203p,* after 208p, recorded net losses of 2. The Australian **Broken Hill Proprietary**, on domestic advices, closed 25 to the good at 745p, after 760p, while firm Hong Kong issues had **Jardine Matheson** 14 higher at 416p, after 422p, and **Wheelock Marden** 3½ up at 69p. Elsewhere, **Robert Stigwood** *responded to the agreed 30p cash* bid from Polygram with a rise of 4½ to 46p. Also in the "pop" entertainment field, **Management Agency and Music** ended 6 up at 66p, *after 70p, on speculative sup*port in a short market. Sharply higher profits and a proposed scrip issue *raised Sharna Ware* 7 to 47p, while **BTR**, still on the good preliminary statement, added 5 at 193p for a two-day advance of 19. Also on annual results, **Harris and Sheldon** gained 3 at 43p. **Pentos**, with results *due next Tuesday, rose 4 to 36p.*

Motors and Distributors closed little changed after a quiet trade. **Rolls-Royce** hardened 2½ to 71p in recognition of the company's overseas earnings potential. *Associated Engineering* picked up a like amount at 92p, but **Lucas**, at 225p, gave up 5 of the previous day's rise of 6. **Dunlop** eased 2 to 88p.

Dolan Packaging *replied to* encouraging interim results and optimism for the full year by rising 6 to 62p, while **Bemrose** *gained 4 to 63p, after 65p, follow*ing impressive preliminary figures. Elsewhere, **British Printing** revived with an improvement of 2 to 54½p, but **W. N. Sharpe** reverted to 51p, after 53p, despite higher profits.

Shell stronger

Royal Dutch/Shell's annual figures pleased the market and **Shell**, after looking a shade easier at 408p, moved up to a fresh peak of 416p for a rise of 6 on the day and of 32 so far this week. **Royal Dutch** were *little changed at £35½. Ultramar* provided a contrast by falling 8 to 176p on news of the Convertible Preferred "rights" issue to Ordinary shareholders; the annual results were deemed *satisfactory. Otherwise,* **British Petroleum** regained a small early loss to close unaltered at 613p, while **Burmah** were finally only 1 easier at 46p, after an initial reaction to 44p on considerations of the Ninian Field deal with BNOC. **Pan Ocean** made limited further headway to £10½, reflecting the publicity about the North Sea Brae Field, but **Siebens (U.K.)** reacted 10 to 235p and **Sunningdale** held at 630p. Elsewhere in the overseas section, **Woodside-Burmah** picked up 4 more to 109p.

News that the Board of **Amalgamated Investment and Property** (in which dealings were suspended on Tuesday at a price of 16½p), has found it necessary to place the company in the hands of a receiver caused a fresh retreat in the Property share market. Selling was only moderate, but in the absence of support, **British Land** lost 3½ to 27½p and **Capital and Counties Property** 2 to 12½p, while **MEPC** closed 4 lower at 75p and **Land Securities** 5 cheaper at 172p. **English Property** gave up *3 at 58p and Town and City Pro*perty a penny more to 15½p. Outside the leaders, **Town and Commercial** receded 2 to 9p and **United Real Property** 8 to 180p.

Overseas Traders were inclined *to close a shade harder.* **Harrisons and Crosfield** put on ½ to a 1975-76 peak of £10½, while **Paterson Zochonis "A,"** ahead of next Thursday's interim results, added 5 at 165p.

Business tailed off in Shippings after a fairly lively start and prices closed mixed. Awaiting further developments in the bid situation, **Felixstowe Dock** improved 3 at 156p. **John I.** *Jacobs hardened a penny at 25p,* but **P & O Deferred** came on offer at 92p, down 3, and **Furness Withy** dipped 6 to 214p.

Trusts and Financials had little to commend them. **Rothschild** improved 3 at 284p as did **Simonside** to 55p. **Yule Catto**, 35p, were unmoved by results.

Textiles turned irregular with **Nottingham Manufacturing**, 3 down at 85p, succumbing to profit-taking after the recent strong advance. **Lister**, 39p, were similarly lower ahead of to-day's interim results and, in a thin market, **RKT** shed 5 to 40p. **Carpets International**, on the other hand, edged forward 2 more to 103p and **Courtaulds** closed a penny better at 133p.

Renewed demand on further consideration of the overseas earnings' potential helped **Bats** rise 7 to 363p in Tobaccos.

South African Industrials continued to make modest headway, **Anglo-American Industrial** closing 8 better at 118p and **O.K. Bazaars "A"** 20 to the good at 510p.

Rubbers closed better where changed. **Golden Hope** put on 3 at 54p and **London and Asiatic** were similarly dearer at 51½p. **Blantyre**, however, shed 10 to 175p in dull Teas.

Australians up again

Australian mining shares continued to move ahead in line with the overnight trend in mining *markets in Melbourne and Sydney* which are at their high points for the year.

Energy stocks, with the exception of **Pancontinental** which fell ¾ to £12¼, were particularly *favoured. In Uraniums,* **Peko-Wallsend** rose 20 to a 1975-76 high of 540p and **Wes**[…] (which has recently r[…] on its Yeelirrie uran[…] gained 2 to 160p.

Among Coals, **Thi**[…] advanced 18 to 206[…] **Mining** gained a fur[…] ahead of next wee[…] capital reorganisati[…]

MIM Holdings ros[…] reflecting the stre[…] copper price, whil[…] **Mining and Smelting** a 1975-76 high of 1[…]

South African […] firmer, reflecting th[…] shares in overnight […] and the initial rise […] premium. The mod[…] the latter, however, […] the lower bullion […] was finally 25 ce[…] $133.75 per ounce) […] some easing in […] *although small sel*[…] left **Vaal Reefs** £1¼ […] and **East Driefontei**[…] 690p. The Gold Mi[…] 2.7 to 182.0.

Financials gene[…] ground on Cape, l[…] buying. **De Beers** […] but eased on profit-[…] 3 lower at 229p. […] firmer with **Minorc**[…] 193p, after 195p. Pl[…] ahead following […] demand. **Potgieters**[…] 135p, after 140p, […] put on 6 to 98p. Th[…] again, with **Ayer H**[…] at a 1975-76 high […]

Elsewhere, **West**[…] moved erratically […] and 195p before clo[…] at 190p followi[…] buying.

FINANCIAL TIMES STOCK INDI[CES]

	March 11	March 10	March 9	March 8	March 5	Ma[rch] 4
Government Secs.	61.84	62.33	62.42	61.90	62.47	6[…]
Fixed Interest	61.50	61.89	61.86	61.66	62.22	6[…]
Industrial Ordinary	411.8	414.1	411.4	411.6	404.7	4[…]
Gold Mines	182.0	179.3	172.2	178.1	172.8	[…]
Ord. Div. Yield %	5.08	5.01	5.05	5.05	5.13	[…]
Earnings Y'ld % (full) (a)	14.51	14.45	14.56	14.55	14.69	[…]
P/E Ratio (net) (a) (b)	10.12	10.16	10.09	10.09	10.01	[…]
Dealings marked	7,872	7,121	7,463	7,593	7,789	[…]
Equity turnover £m.	—	65.14	62.10	65.26	72.18	7[…]
Equity bargains total	—	19,086	19,495	20,969	19,840	20[…]

10 a.m. 413.9. 11 a.m. 415.9. Noon 414.8. 1 p.m. 414.9. 2 p.m. 414.3. 3 p.m. 414.0.

Latest Index 01-246 8026.

(a) Based on 52 per cent. corporation tax. (b) Nil=10.[…]

Basis 100 Govt. Secs. 15/10/26. Fixed Int. 1928. Ind. Ord. 1/7/35. Gold Mines 12/9/55. SE Activity July-Dec. 1942.

HIGHS AND LOWS

	1975/6 High	1975/6 Low	Since Compilation High	Since Compilation Low
Govt. Secs.	66.21 (30/1/76)	44.16 (6/1/75)	127.4 (9/1/35)	49.18 (3/1/75)
Fixed Int.	64.48 (2/2/76)	50.53 (6/1/75)	150.4 (28/11/47)	50.53 (3/1/75)
Ind. Ord.	417.4 (30/1/76)	146.0 (6/1/75)	543.6 (19/5/72)	49.4 (26/6/40)
Gold Mines	442.3 (22/5/75)	164.0 (3/3/76)	442.3 (22/5/75)	43.5 (28/10/71)

S.E. AC[TIVITY]

	M[…]
Daily—	
Gilt-Edged	[…]
Industrials	[…]
Speculative	[…]
Totals	[…]
5-day Av'ge	
Gilt-Edged	[…]
Industrials	[…]
Speculative	[…]
Totals	[…]

F.T.—ACTUARIES SHARE INDICES

These indices are the joint compilation of the Financial Times, The Institute of Actuaries and the Faculty of Actuaries

	EQUITY GROUPS — GROUPS & SUB-SECTIONS (Figures in parentheses show number of stocks per section)	Thursday, March 11, 1976: Index No.	Day's Change %	Est. Earnings Yield % (Max.) Corp. Tax 52%	Gross Div. Yield % (ACT at 35%)	Est. P/E Ratio (Net) Corp. Tax 52%	Est. P/E Ratio (Nil) Corp. Tax	Wed March 10 Index No.	Tues. March 9 Index No.	Monday March 8 Index No.	Friday March 5 Index No.	Year ago (approx.) Index No.	Highs and Lows Index 1975/76 High	1975/76 Low	Since Compilation High	Since Compilation Low
1	CAPITAL GOODS (178)	157.57	-1.0	14.50	5.42	10.40	10.40	156.07	155.17	154.87	152.72	110.81	157.57 (11/3/76)	51.78 (6/1/75)	206.57 (4/5/72)	50.71 (13/12/74)
2	Building Materials (29)	148.84	+1.1	11.03	5.90	13.66	13.65	146.61	145.19	145.88	143.80	98.32	150.18 (15/1/76)	45.11 (6/1/75)	233.84 (2/5/72)	44.27 (11/12/74)
3	Contracting, Construction (23)	242.96	+2.7	14.52	4.03	10.77	10.77	256.69	233.85	233.37	232.28	198.70	263.54 (16/1/76)	74.74 (8/1/75)	389.35 (4/5/72)	71.48 (2/12/74)
4	Electricals (16)	279.40	-0.4	15.60	4.27	9.39	9.39	278.17	276.14	274.83	268.32	206.57	279.40 (11/3/76)	98.49 (2/1/75)	350.04 (4/5/72)	86.71 (25/6/62)
5	Engineering (Heavy) (13)	177.59	-1.5	18.41	6.65	8.83	8.83	175.29	175.40	173.66	169.74	134.89	181.38 (30/1/76)	64.39 (2/1/75)	202.57 (6/6/72)	94.455 [illegible]
6	Engineering (General) (63)	144.23	+1.0	15.33	5.90	9.78	9.78	142.83	142.47	142.07	140.68	94.75	144.23 (11/3/76)	45.43 (6/1/75)	168.59 (4/5/72)	45.14 (6/1/75)
7	Machine and Other Tools (9)	58.26	-0.6	14.49	6.42	12.44	12.44	57.91	57.96	58.00	57.40	40.91	58.26 (11/3/76)	20.11 (2/1/75)	136.70 (4/5/66)	19.96 (13/12/74)
8	Miscellaneous (25)	133.67	+0.2	14.96	6.25	10.28	10.28	133.42	133.17	132.70	131.68	99.87	134.85 (26/2/76)	49.65 (6/1/75)	177.41 (27/4/72)	49.65 (6/1/75)
9	CONSUMER GOODS (DURABLE) (56)	141.28	+0.9	13.75	4.45	11.01	11.00	140.05	139.95	139.48	137.83	88.36	141.28 (11/3/76)	38.39 (6/1/75)	227.78 (21/4/72)	38.39 (6/1/75)
10	Electronics, Radio TV etc. (15)	160.15	+1.0	11.98	5.36	12.56	12.54	158.51	158.96	158.56	156.78	97.82	160.15 (11/3/76)	44.28 (6/1/75)	257.41 (18/5/72)	42.85 (12/12/74)
11	Household Goods (15)	182.23	+0.6	18.09	6.18	8.35	8.34	181.17	179.94	179.04	180.01	126.18	184.94 (26/2/76)	64.53 (6/1/75)	263.28 (4/5/72)	63.92 (17/12/74)
12	Motors and Distributors (26)	84.80	+0.8	14.99	5.53	10.27	10.27	84.13	83.82	83.49	81.84	42.62	84.80 (11/3/76)	19.91 (6/1/75)	170.59 (15/1/69)	19.91 (6/1/75)
13	CONSUMER GOODS (NON-DURABLE) (168)	156.63	+0.2	13.44	5.65	11.01	10.91	156.31	155.69	155.72	154.02	131.93	162.24 (5/2/76)	61.98 (6/1/75)	226.08 (16/8/72)	61.41 (13/12/74)
14	Breweries (15)	162.79	+0.5	13.86	5.63	10.83	10.83	162.26	163.08	163.74	162.32	132.94	179.43 (2/2/76)	75.58 (6/1/75)	281.87 (28/11/72)	69.47 (13/12/74)
15	Wines and Spirits (7)	165.34	+1.9	9.99	5.44	15.19	15.19	161.94	161.95	160.31	175.96	140.59	185.67 (2/2/76)	80.42 (6/1/75)	257.40 (15/7/72)	78.81 (13/12/74)
16	Entertainment, Catering (15)	208.87	-0.3	11.42	6.08	13.22	13.22	209.56	209.60	211.26	209.63	119.10	211.26 (8/3/76)	55.28 (6/1/75)	329.99 (12/12/72)	54.87 (19/7/74)
17	Food Manufacturing (22)	169.31	+0.6	12.52	4.97	11.28	11.21	168.25	167.02	167.37	165.21	129.44	174.03 (4/2/76)	62.03 (2/1/75)	211.65 (1/5/72)	59.78 (11/12/74)
18	Food Retailing (16)	144.30	—	11.53	4.80	12.61	12.61	144.28	143.10	142.04	140.73	118.28	155.88 (10/1[…])	57.15 (2/1/75)	235.08 (15/8/72)	64.25 (11/12/74)
19	Newspapers, Publishing (15)	184.34	+0.1	12.24	5.48	12.26	12.26	184.21	183.28	182.86	181.54	135.00	184.34 (11/3/76)	55.08 (6/1/75)	250.29 (18/1/72)	55.08 (6/1/75)
20	Packaging and Paper (13)	109.50	+0.6	19.92	6.97	7.47	7.46	108.85	109.15	109.32	108.24	85.60	118.50 (26/2/76)	43.46 (6/1/75)	135.69 (26/4/72)	43.46 (6/1/75)
21	Stores (34)	129.32	-1.2	11.69	5.22	13.14	13.12	130.87	130.61	130.76	130.57	107.99	136.24 (2/2/76)	52.63 (6/1/75)	204.39 (16/8/72)	52.63 (6/1/75)
22	Textiles (22)	174.35	-0.7	13.78	6.24	9.39	8.81	175.60	174.38	174.20	171.19	118.00	183.19 (30/1/76)	62.91 (6/1/75)	253.72 (17/9/69)	63.66 (11/12/74)
23	Tobaccos (3)	225.11	+2.4	19.37	6.30	7.87	7.87	219.84	217.13	216.48	211.56	187.16	236.23 (5/2/76)	109.92 (6/1/75)	339.16 (2/8/72)	94.34 (26/6/62)
24	Toys and Games (6)	69.54	-0.5	19.61	5.71	7.10	7.10	69.54	69.99	69.42	67.73	40.93	69.99 (9/3/76)	20.92 (6/1/75)	135.72 (16/1/70)	20.92 (6/1/75)
	OTHER GROUPS (94)															
25	Chemicals (24)	226.06	+1.2	11.57	4.25	11.94	11.94	223.40	221.63	221.35	217.71	143.50	226.06 (11/3/76)	73.14 (6/1/75)	226.06 (11/3/76)	71.20 (11/12/74)
26	Office Equipment (10)	91.58	+0.4	14.53	5.66	10.43	10.42	91.26	90.29	90.88	90.51	91.81	104.78 (17/4[…])	45.34 (2/1/75)	246.06 (1/9/72)	45.34 (2/1/75)
27	Shipping (12)	376.14	-0.5	19.21	6.58	6.66	6.40	377.89	377.46	376.47	374.09	376.49	432.64 (30/1/76)	194.38 (6/1/75)	517.00 (5/12/72)	90.80 (29/6/62)
28	Miscellaneous (48)	171.85	+0.7	13.70	6.15	10.76	10.75	170.61	170.04	169.94	168.02	124.91	172.73 (30/1/76)	60.39 (6/1/75)	258.83 (2/5/72)	60.39 (6/1/75)
29	INDUSTRIAL GROUP (496)	163.05	+0.6	13.59	5.38	10.82	10.75	162.09	161.31	161.19	159.21	119.34	164.06 (30/1/76)	59.19 (6/1/75)	220.17 (15/5/72)	59.01 (13/12/74)
30	OILS (4)	356.25	+0.7	14.12	4.52	7.81	7.08	353.73	348.01	344.48	335.42	215.13	356.25 (11/3/76)	105.83 (2/1/75)	451.66 (29/5/69)	87.23 (29/5/62)
31	500 SHARE INDEX	179.18	+0.6	13.67	5.25	10.25	9.97	178.08	176.92	176.55	174.01	127.57	179.18 (11/3/76)	63.49 (6/1/75)	227.95 (16/8/72)	63.49 (13/12/74)
32	FINANCIAL GROUP (100)	141.84	-0.2	—	5.06	—	—	141.53	140.49	140.25	140.07	127.59	155.46 (30/1/76)	56.50 (6/1/75)	241.41 (11/4/72)	55.88 (13/12/74)
33	Banks (6)	162.81	+0.5	18.73	5.19	8.21	8.21	162.08	156.50	159.28	162.22	145.22	192.16 (29/1/76)	62.56 (2/1/75)	288.32 (20/7/72)	62.44 (12/12/74)
34	Discount Houses (10)	168.55	-3.8	—	7.30	—	—	174.92	174.92	174.92	176.90	154.68	186.52 (15/1/76)	84.13 (6/1/75)	293.13 (27/7/72)	81.40 (10/12/74)
35	Hire Purchase (5)	127.27	-1.8	—	4.95	—	—	129.54	130.45	130.45	131.30	115.12	134.59 (10/2[…])	42.81 (6/1/75)	433.72 (4/5/72)	38.85 (11/12/74)
36	Insurance (Life) (9)	127.62	-0.2	—	5.36	—	—	127.93	128.25	128.43	127.93	100.85	129.46 (30/1/76)	44.88 (2/1/75)	194.46 (2/6/72)	44.88 (2/1/75)
37	Insurance (Composite) (7)	117.40	+1.1	—	5.84	—	—	116.10	114.61	112.66	110.90	96.84	123.90 (20/1/76)	44.47 (2/1/75)	155.76 (21/4/72)	43.96 (13/12/74)
38	Insurance Brokers (9)	246.31	+1.4	8.58	3.78	18.10	18.10	243.03	242.49	231.95	231.26	154.64	246.31 (11/3/76)	68.96 (7/1/75)	262.37 (12/12/72)	65.86 (16/12/74)
39	Merchant Banks (17)	87.26	-0.3	—	6.32	—	—	87.48	87.89	87.59	87.22	88.45	94.97 (7/3[…])	31.21 (7/1/75)	278.57 (1/5/72)	31.21 (7/1/75)
40	Property (31)	169.65	-1.0	2.89	2.87	62.92	59.00	171.35	173.07	177.85	176.07	199.85	241.22 (22/4[…])	88.19 (7/1/75)	357.40 (9/11/73)	56.01 (20/4/65)
41	Miscellaneous (6)	85.26	-0.9	15.33	6.59	10.21	10.21	86.07	87.17	87.17	87.17	72.10	91.98 (5/2/76)	34.78 (10/1/75)	303.15 (18/5/72)	33.29 (17/12/74)
42	Investment Trusts (50)	166.96	-0.4	3.12	4.34	35.18	35.15	166.31	165.48	163.70	160.67	141.27	184.55 (30/1/76)	73.45 (6/1/75)	245.79 (25/4/72)	71.65 (13/12/74)
43	ALL-SHARE INDEX (650)	169.47	+0.5	—	5.17	—	—	168.57	167.46	167.04	165.00	127.46	172.64 (30/1/76)	62.16 (6/1/75)	228.18 (15/5/72)	61.92 (13/12/74)
	COMMODITY GROUPS (Not included in 500 or All-Share indices)															
44	Rubbers (9)	456.99	+2.3	14.02	7.33	10.94	10.92	446.58	443.59	448.70	443.29	454.37	525.43	281.66	555.37	84.68
45	Teas (8)	123.01	-0.5	34.25	9.63	3.96	3.65	123.61	123.73	123.27	124.19	86.70	126.91	76.76	126.91	59.72
46	Coppers (3)	211.54	-2.1	46.72	8.12	2.14	2.14	207.15	197.63	199.07	193.65	404.70	467.74	185.63	667.78	94.08
47	Mining Finance (11)	96.53	-1.4	12.27	5.22	9.21	9.21	94.99	93.87	93.74	89.72	109.88	141.34	80.58	175.90	66.51
48	Tins (8)	97.41	-0.8	12.44	9.05	11.70	11.09	96.55	95.12	94.22	93.67	90.98	115.46	84.64	113.46	54.83
49	Overseas Traders (13)	233.59	+0.9	14.32	4.39	9.15	9.13	233.60	232.82	232.56	230.19	197.09	233.59	97.27	233.59	97.57

	FIXED INTEREST	Thurs. March 11 Index No.	Yield %	Wed. March 10	Tues. March 9	Monday March 8	Friday March 5	Thurs. March 4	Wed. March 3	Tues. March 2	Year ago (approx.)	1975/6 High	1975/6 Low	Since Compilation High	Since Compilation Low
1	Consols 2½% yield	—	14.05	13.85	13.85	14.04	13.85	13.73	13.72	13.72	13.58				
2	20-yr. Govt. Stocks (6)	49.35	13.19	49.76	49.74	49.23	49.98	50.54	50.48	50.16	52.41	53.45	38.27	115.42	38.27
3	20-yr. Red. Deb. & Loans (15)	50.43	14.65	50.53	50.64	50.49	50.17	50.29	50.39	50.44	49.75	51.46	37.01	113.41	37.01
4	Investment Trust Prefs. (15)	49.62	15.94	49.66	49.52	49.59	49.80	49.51	49.68	49.99	49.26	51.13	[illegible]	[illegible]	[illegible]
5	Coml. and Indl. Prefs. (20)	68.86	13.86	68.49	68.59	68.54	69.00	69.20	69.04	[illegible]	67.85	71.97	47.67	114.99	47.67

Section or Group	Base Date	Base Value
Overseas Traders	31/12/74	100.00
Engineering (Heavy)	31/12/71	153.84
Engineering (General)	31/12/71	153.84
Wines and Spirits	16/1/70	144.75
Toys and Games	16/1/70	135.72
Office Equipment	16/1/70	153.84
Industrial Group	31/12/70	128.20
Miscellaneous Financial	31/12/70	128.20
Food Manufacturing	29/12/67	114.13
Food Retailing	29/12/67	114.13

Section or Group	Base Date	Base Value
Insurance Brokers	29/12/67	96.67
Mining Finance	29/12/67	100.00
All Other	10/4/62	100.00

† Redemption yield. FT-Actuaries indices are calculated by Extel Communications Limited (a member of the Exchange Telegraph Group) on an IBM 370 computer.

A new list of the constituents of the FT-Actuaries is available from the Publishers, the Financial Times, Bracken House, Cannon Street, London, EC4P 4BY, price 15p, by post 20p. CONSTITUENT CHANGES: Consolidated Tea and Lands and Teita Holdings have been replaced by McLeod Russel (Teas). Amal. Inv. & Property (Property) has been replaced by Smith Bros. (Misc. Financial). RECLASSIFICATION: Dixons Photographic has been reclassified from Entertainment and Catering to Stores.

ACTIVE STOCKS

Stock	Denomination	No. of marks	Closing price (p)	Change on day	1975/6 high	1975/6 low
Shell Transport	25p	18	416	+6	416	118
Burmah Oil	£1	17	46	−1	108	27
ICI	£1	14	400	—	402	118
BP	£1	12	613	—	615	190
Lloyds Bank 'New'	Nil/pd.	12	15*	—	36*	11*
"Bats"	25p	11	365	+7	377	164
Cons. Gold Fields	25p	10	170	+3	290	144
De Beers Defd.	R0.05	10	229	−3	335	161
GKN	£1	10	345	+3	347	95
RTZ	25p	10	195	+2	211	80
T. & Newall 'New'	Nil/pd.	10	16*	+2	19*	10*
Ultramar	25p	10	176	−8	216	61
Beecham	25p	9	362	+2	366	116
Distillers	50p	9	150½	−½	152	65½
Eng. China Clays	25p	9	101	+4½	101	35

The above list of active stocks is based on the number of bargains recorded yesterday in the Official list and under Rule 163(1) (e).

* Premium.

Option Report—3-month Call rates

OPTION DEALING DATES

First Dealings	Last Dealings	Last Declaration	For Settlement
Mar. 2	Mar. 15	May 17	Jun. 9
Mar. 16	Mar. 29	Jun. 10	Jun. 22
Mar. 30	Apr. 12	Jun. 24	July 6

"Calls" were dealt in British Land, Hawthorn Leslie, Burmah Oil, Fairview Estates, London Tin, ICI, Town and Commercial Convertible. Burton Warrants, Lesney Products, United Carriers and J. I. Jacobs. "Puts" were done in Rio Tinto-Zinc and ICI, while "doubles" were arranged in British Land, Rio Tinto-Zinc, Town and City and Burmah Oil.

Industrials		Guardian	20	Spillers	5	Shell	25
		G.K.N.	22	Tesco	5	Ultramar	20
A. P. Cement	15	Hawker Sidd.	35	Thorn "A"	20		
Assoc. Leisure	3	House of Fraser	8	Tube Invest.	27	Mines	
Barclays Bank	22	I.C.I.	21	Unilever	40	Anglo Amer.	50
Beecham	28	"Imps"	7	Utd. Drapery	10	Charter Cons.	16
Boots Drug	12	I.C.L.	14	Vickers	15	Chart'rh'll Pln.	6
Bowaters	16	Inveresk	7	Williams Hud'n	4	Cons. Gold	16
B.A.T.	30	Legal & General	13	Woolworths	6	De Beers Def.	35
British Leyland	7	Ladbroke	11			F. S. Geduld	550
BOC Int.	5½	Lloyds Bank	22	Property		Great Boulder	12
Burton 'A'	7	"Lots"	5½	Amal. Inv.	3½	Hampton Areas	12
Cadbury	6	"Mams"	6	Brit. Land	4½	Hampton Prop.	4
Courtaulds	11	Marks & Sp'ncer	10	Cap. Counties	3½	Kinross	100
Debenhams	8	Midland Bank	22	E.P.	8	Lonrho	12
Distillers	13	Nat'West Bank	20	Land Securities	18	Loraine	56
Dunlop	7½	"Do" Warrants	10	MEPC	10	Poseidon	55
Eagle Star	13	P & O Dfd.	11	Peachey	5½	Pres. Steyn	200
E.M.I.	17	Plessey	8	Town & City	3½	Rio T. Zinc	17
Gen. Accident	16	R.H.M.	6	Town & Comm.	4	Welkom	55
Gen. Electric	13	Rank Org. 'A'	18			West Areas	40
Glaxo	55	Reed Int'l	25	Oils		Western M'ng.	18
Grand Met.	7	Rothmans	4	Brit. Petroleum	40		
[illegible]	17	Slater Walker	4½	Burmah Oil	7		

NEW HIGHS AND LOWS FOR 1975/76

The following securities (numbers in parentheses) among those quoted in the Share Information Service yesterday attained new Highs and Lows for 1975-76.

NEW HIGHS (106)

AMERICANS (6)
Bell & Howell — Champion Intl.
Browning-Ferris — Colt Inds.
Caterpillar Tractor — Ford Motor

CANADIANS (3)
Gulf Oil Canada — Int. Nickel
Hudson's Bay

BEERS (1)
Bell (A.)

BUILDINGS (6)
Benford Conc. — Fairclough (L.)
Brown & Jackson — Tarmac
Clark & Fenn — [illegible]

CHEMICALS (6)
Ciba Geigy 7½pc Conv. 1981-94 — [illegible]
Do. 8[…] 1982-89 — [illegible]
Farm Feeds — [illegible]

CINEMAS (1)
Trident TV 'A'

STORES (3)
Customagic — Wilkinson Warburton
Spirella

ELECTRICALS (5)
Allied Insulators — Scholes (G. H.)
Bowthorpe — Utd. Scientific
Fidelity Radio

ENGINEERING (16)
Baker Perkins — Pegler-Hattersley
Beaufort — Renold
Brotherhood (P.) — Simon Eng.
Brown & Tawse — 600 Group
Eva Inds. — Thyssen-Huette
GKN — Tube Invs.
Hopkinsons — W.G.I.
Jones & Shipman — Weyburn Eng.

FOODS (4)
Fox's B'scuits — Northern Foods
Mid. Cattle Prods. — United Biscuits

HOTELS (1)
Warner Hols. 'A'

INDUSTRIALS (24)
BBA — Rooner 'A'
BTR — Sangers
Beatson Clark — Scapa
Beecham — Sharna Ware
British Vita — Smiths. Potts. 9¼pc Conv.
Chubb
Dobson Park — Steetley
English China Clays — Stelux
Gestetner 'A' — Tilling (T.)
Harris (P.) — U.K. Opticals
Magmnt. Agcy. Mus. — Wedgwood
Marshall (T.) Lox. 'A' — Wilkinson Match
Miln Marsters

INSURANCES (6)
Brentnall Beard — Royal Insurance
Heath (C. E.) — Stenhouse
Leslie & Godwin — Travellers Corp.

MOTORS (2)
Assoc. Eng. — Henlys

NEWSPAPERS (1)
Pearson Longman

PAPERS (4)
Bemrose — Dolan Packaging
British Printing — Usher Walker

SHIPPING (2)
Jacobs (J. I.) — Manchester Liners

TEXTILES (5)
Carpets Int. — Shaw Carpets
Dawson Int. — Tomkinsons
Do. 'A'

TRUSTS (2)
Rosedimond Inc. — Dalgety

OILS (1)
Shell Transport

OVERSEAS TRADERS (1)
Harrisons Crosfield

RUBBERS (2)
Anglo Indonesian — Bradwall

MINES (3)
A. M. A. S. — Ayer Hitam
Peko-Wallsend

NEW LOWS (2)

INDUSTRIALS (1)
RTD

SHIPPING (1)
Reardon Smith 'A'

RISES AND [FALLS] YESTER[DAY]

British Funds	[…]	[…]	[…]
Corpns. Dom. and Foreign Bonds	[…]	[…]	[…]
Industrials	[…]	[…]	[…]
Financial and Prop.	[…]	[…]	[…]
Oils	[…]	[…]	[…]
Plantation	[…]	[…]	[…]
Mines	[…]	[…]	[…]
Recent Issues	[…]	[…]	[…]
Totals	[…]	[…]	[…]

MONEY MARKET

Small assistance

Bank of England Minimum Lending Rate 9 per cent.
(since March 5, 1976)

Day-to-day credit was in slightly short supply in the London money market yesterday and the authorities gave assistance by buying a small amount of Treasury bills from the Discount houses. Banks carried forward surplus balances, Government disbursements exceeded revenue payments to the Exchequer, and a fall in the note circulation was also a factor in the market's favour. On the other hand, there was a net market take-up of Treasury bills, and the market was also faced with official holdings of maturing local authority bills.

Discount houses paid 7¾-8 per cent. for secured call loans at the start and closing balances were found at about 3-4½ per cent.

In the interbank market overnight loans opened at 8-8½ per cent. and [illegible] in the early afternoon, before falling sharply to 3 per cent. at the close.

Short-term fixed-period interest rates were slightly firmer, with *the buying rate for three-month* Treasury bills quoted at 8⅝ per cent., against 8½-8¼ per cent. previously. This tends to discount yesterday's rumours of a possible rise in Bank of England Minimum Lending Rate at to-day's Treasury bill tender.

Rates in the table below are nominal in some cases.

Mar. 11 1976	Sterling Certificate of deposit	Interbank	Local Authority deposits	Local Auth. negotiable bonds	Finance House Deposits	Company Deposits	Discount market deposit	Treasury Bills	Eligible Bank Bills	Fine Trade Bills
Overnight	—	[illegible]	—	—	—	[illegible]	[illegible]	—	—	—
2 days notice	—	—	[illegible]	—	—	—	—	—	—	—
7 days or 7 days notice	—	[illegible]	[illegible]	—	—	[illegible]	[illegible]	—	—	—
One month	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Two months	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	—	[illegible]	[illegible]	[illegible]
Three months	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Six months	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	—	—	[illegible]	[illegible]
Nine months	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	—	—	—	—	—
One year	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	—	—	—	—	—
Two years	—	—	—	[illegible]	—	—	—	—	—	—

Local authority and finance houses seven days' notice, others seven days' fixed. Longer-term local authority mortgage rate nominally three years [illegible]; four years [illegible]; five years [illegible]. Bank bill rates in table are buying rates for prime paper. Buying rates for four-month bank bills [illegible]; four-month trade bills [illegible]. Approximate selling rate for one-month Treasury bills [illegible]; two-month [illegible]; and three-month [illegible]. Approximate selling rate for one-month bank bills [illegible]; two-month [illegible]; and three-month [illegible]; one-month trade bills [illegible]; two-month [illegible]; and also three-month [illegible]. Finance House Base Rate (published by the Finance Houses Association): [illegible] per cent. from March 1, 1976. Clearing Bank Deposit Rate for small sums at seven days' notice [illegible] per cent. Clearing Bank Base Rate for lending [illegible] per cent. Treasury Bills: Average tender rates of discount [illegible].

BASE LE[NDING] RAT[ES]

Allied Irish Bank […]
American Expre[ss …]
Anglo-Portuguese […]
Henry Ansbacher […]
Banco de Bilbao […]
Banco de Jerez […]
Bank of Cyprus […]
Bank of N.S.W. […]
Banque du Rhô[ne …]
Barclays Bank […]
Barnett Christie […]
Bremar Holdin[gs …]
Brit. Bank of M[…]
■ Brown Shipley […]
Canada Perman[ent …]
Cayzer, Bowater […]
Cedar Holdings […]
■ Charterhouse Ja[phet …]
C. E. Coates […]
Consolidated Cr[…]
Co-operative Ba[nk …]
Corinthian Secu[rities …]
Credit Lyonnais […]
G. R. Dawes […]
Duboff Brother[s …]
Duncan Lawrie […]
English Transco[nt. …]
First London Se[c. …]
■ Antony Gibbs […]
Goode Durrant […]
Greyhound Gua[ranty …]
Grindlays Bank […]
■ Guinness Maho[n …]
■ Hambros Bank […]
Hawtin & Par[…]
■ Hill Samuel […]
C. Hoare & Co […]
Julian S. Hodg[e …]
Industrial Bank […]
Keyser Ullman […]
Knowsley & Co […]
Lloyds Bank […]
London & Euro[…]
London Merc'til[e …]
Midland Bank […]
■ Samuel Monta[gu …]
■ Morgan Grenfe[ll …]
National Wes[tminster …]
Northern Comm[…]
Norwich Gener[al …]
Portman Guara[…]
P. S. Refson & […]
Rossminster A[…]
Schlesinger Li[…]
E. S. Schwab […]
Security Trust […]
Shenley Trust […]
Standard Char[tered …]
Thames Guara[nty …]
Trade Develop[ment …]
Twentieth Cen[tury …]
United Bank of […]
Whiteaway La[idlaw …]
Williams & G[lyn's …]
Yorkshire Ban[k …]

■ Members of the Accepting Houses Committee.

[…]

CORAL […]
Close 4[…]

I.G. IN[DEX …]
GOLD 1[…]

INSURAN[CE …]
RAT[ES …]
† Atlantic Assu[rance …]
Canada Assu[rance …]

هكذا من الأصل

هكذا من الأصل

AUTHORISED UNIT TRUSTS

INSURANCE, PROPERTY, BONDS

OFFSHORE AND OVERSEAS FUNDS

REGIONAL MARKETS

50p	151xd	.....	Holt(Jos)25p	255	.....	Alliance Gas (£1)	82xd	-1½
.....	25	.....	Kleen-e-Ze	21	+3	Carroll (P. J.)	132	.....
£1	327	.....	Lovell's Ship £1	75	-5	Clondalkin	55	.....
.....	20	.....	N'thn. Goldsmith	41	.....	Concrete Prods.	99	.....
.....	68	.....	P.M.A.	58	.....	Goodbody (£1)	34	.....
10p	25	-1	Pearce (C. H.)	89	.....	Heiton (Hldgs.)	29	-1
.....	9	.....	Peel Mills	12½	.....	Irish Distillers	56	-4
.....	60	.....	RobbCaledonian	52	.....	Irish Wire	40	.....
5p	16½	.....	Sayers 12½p	16	.....	Jacob	67	.....
50p	155	.....	Sheffield Brick	85	+3	Sunbeam	15½	.....
.....	78	.....	Sheff. Refrshm	140	.....	T'midare	67½xd	.....

...OD PRICE MOVEMENTS

	March 11	Week ago	Month ago
	£	£	£
...sh A.1 per ton†	940	1,030	1,030
...sh A.1 per ton†	910	930	940
Special per ton†	910	930	930
...h A.1 per ton†	—	960	—
...r A.1 per ton¶	830	990	930
(packet)			
...er 20 lbs†	8.05-8.11	8.05-8.11	8.05-8.11
...sh per cwt†	45.39-47.77	45.39-47.77	45.39-47.47
...h salted per cwt†	47.73-51.27	47.73-51.27	47.83-49.31
...h cheddar white			
...lless per tonne	—	—	1,008.33
...r tonne	896.5	846	846
...prod. Standard	3.10-3.20	3.10-3.20	3.20-3.30
Large	3.20-3.35	3.20-3.30	3.10-3.45

	March 11 per pound	Week ago per pound	Month ago per pound
	p p	p p	p p
...n killed sides			
...KKCF)	37.0—39.0	35.5—39.0	37.0—39.0
...orequarters	29.0—30.0	29.0—30.0	29.0—31.0
...tine chilled rumps	—	—	—
...h	38.0—42.0	36.0—42.0	34.0—40.0
...s-PMs	31.0—35.0	30.5—34.0	30.0—32.0
...weights)	26.0—37.5	29.0—38.0	29.0—38.0
...h ewes	18.0—26.0	19.0—28.0	17.0—22.0
...chickens	22.0—27.0	22.0—27.0	21.5—26.0

...on Egg Exchange price per 120 eggs. † Delivered.
...ery. March 7-15.

FT SHARE INFORMATION SERVICE

BRITISH FUNDS

1975/6 High	Low	Stock	£	+ or −	Yield Int.	Red.
		"Shorts" (Lives up to Five Years)				
99 3/32	92 3/16	Treasury 6½pc 1976‡‡	99	−1/32	6.56	8.85
99	97	Victory 4pc 1976‡‡	98⅝	.....	4.04	—
102	96⅞	Treasury 10½pc 1976‡‡	100⅞	−¼	10.41	9.16
98 3/32	88⅞	Treasury 6¼pc 1977‡‡	97 5/16xd	−1/16	6.41	8.86
97¼	86¼	Electric 3pc '74-77	96¼xd	−½	3.12	6.91
103 3/16	96⅞	Treasury 11½pc '77‡‡	102⅜xd	−3/32	11.23	9.79
94	84	Treasury 3pc '77‡‡	93	−¼	3.22	7.49
94 3/32	84⅛	Transport 4pc '72-77	93¼	−⅝	4.29	8.13
99¼	90½	Treasury 9pc 1978‡‡	98¼xd	−½	9.17	10.04
101½	96	Treasury 10½pc '78‡‡	100⅜	−½	10.46	10.29
93⅛	79	Exchequer 5pc '76-78‡‡	92xd	−⅝	5.43	8.57
103 5/16	94 1/16	Treasury 11½pc '79‡‡	102¼xd	−⅝	11.25	10.59
88⅜	71⅜	Treasury 3pc '79‡‡	87¼xd	−3/16	3.44	7.16
88¼	73⅞	Electric 4¼pc 74-79	88¼xd	−⅛	4.82	8.13
100 3/32	94½	Treasury 10½pc '79‡‡	98 1/16	−⅞	10.71	11.11
100 3/32	95 1/16	Do. 10½pc 1979 'A'‡‡	98 1/16	−⅞	10.71	11.11
87¼	71	Electric 3½pc '76-79	84¼	−2⅝	4.06	7.85
96 11/32	84	Treasury 9pc 1980‡‡	94 11/16	−¼	9.57	10.81
96½	89¼	Treasury 9½pc '80‡‡	94¼	−3/32	10.08	11.25
95½	92¾	Treas. 9½pc 1980 'A'‡‡	94¼	−3/32	10.08	11.25
86	68¼	Treasury 3½pc '77-80	85¼	−⅛	4.11	7.61
87⅜	71	Funding 5¼pc '78-80‡‡	86⅞	−¼	6.04	9.02
103 1/16	94 11/16	Treasury 11½pc 1981	101 1/16	−⅞	11.38	11.12
		Five to Fifteen Years				
86	66⅛	Treasury 3½pc '79-81	83¼	−½	4.20	7.64
92¼	72⅝	Do 8¼pc '80-82‡‡	90⅝	−½	9.52	11.02
107¼	86⅝	Treasury 12pc 1981‡‡	100⅝xd	−½	11.91	11.83
79⅞	58	Funding 5½pc '82-84‡‡	77⅝	−½	7.11	9.69
86¼	61⅞	Treasury 8½pc '84-86‡‡	84⅝	−½	10.22	11.29
74⅞	51⅞	Funding 6½pc '85-87‡‡	72⅝	−½	9.25	11.29
77¼	55	Treasury 7¾pc '85-88‡‡	74¼	−½	10.72	12.02
51¼	32⅞	Transport 3pc '78-88	48	−⅜	6.35	10.83
59¾	39¼	Treasury 5pc '86-89	53⅞xd	−⅜	9.20	11.84
102	96	Treasury 13pc 1990‡‡	98⅞	−⅜	13.42	13.48
75⅞	53¼	Treasury 8¼ 87-90‡‡	72⅛	−½	11.76	12.86
		Over Fifteen Years				
60	41⅛	Funding 5¾pc '87-91‡‡	54⅛xd	−⅜	10.55	12.63
99	85½	Treasury 12¾pc '92‡‡	95	−⅜	13.67	13.79
97½	83⅝	Treasury 12½pc '93‡‡	93	−⅜	13.73	13.87
95¼	92⅜	Treas. 12½pc '93 'A'‡‡	92¾	−⅜	13.62	13.75
58	40½	Funding 6pc 1993‡‡	51⅝xd	−⅜	11.67	13.16
75⅞	54⅛	Treasury 9pc '94‡‡	71⅜	−⅜	13.14	13.69
36½	24¾	Gas 3pc '90-95	33⅞	−¼	9.15	12.08
102	75	Treasury 12¾pc '95‡‡	96	−⅜	13.88	13.95
75⅞	54¼	Treasury 9pc '92-96‡‡	67½xd	−⅜	13.32	13.81
35½	26½	Redp. 3pc 1986-96	32⅛	−¼	9.29	11.86
100⅜	86¼	Treasury 13¼pc '97‡‡	95½	−⅜	13.99	14.02
101⅞	88⅛	Do. 13¼pc '97 'A'‡‡	98	−⅜	14.03	14.05
69⅞	53¼	Treasury 8¾pc 1997‡‡	65¼	−⅜	13.46	13.90
59⅞	40¾	Treasury 6¾pc '95-98‡‡	54	−⅜	13.09	13.79
75⅝	54¼	Treasury 9½pc 1999‡‡	71¼	−⅜	13.62	13.89
31½	22	Funding 3½pc '99-04	29⅛	−¼	12.25	13.15
65	47	Treasury 8pc '02-06‡‡	57½xd	−⅜	13.79	13.96
46⅛	33	Treasury 5½pc '08-12‡‡	40¼xd	−⅜	13.67	13.82
60¼	43⅛	Treasury 7¾pc '12-15‡‡	56⅝xd	−⅜	13.93	13.97
		Undated				
29⅞	22⅛	Consols 4pc	28¼	−¼	14.38	—
27¾	20⅝	War Loan 3½pc‡‡	26¼	−¼	13.85	—
28⅞	22⅜	Conv 3½pc '61 Aft	25¼xd	−¼	13.89	—
23¼	17½	Treasury 3pc 66 Aft	21xd	−¼	14.15	—
19⅜	14¼	Consols 2½pc	17⅝xd	−¼	14.05	—
19½	14¼	Treasury 2½pc	17⅝xd	−¼	14.48	—

INTERNATIONAL BANK

[illegible]

CORPORATION LOANS

[illegible]

COMMONWEALTH & AFRICAN LOANS

[illegible]

LOANS (Miscel.)

[illegible]

FOREIGN BONDS & RAILS

[illegible]

U.S. $ DM Prices exclude inv. $ premium

AMERICANS

[illegible]

S.E. List Premium 49⅞% (based on $1.9310 per £)

Conversion factor 0.6988 (0.6696)

CANADIANS

[illegible]

S.E. List Premium 49⅞% (based on $1.9020 per £)

††BANKS AND HIRE PURCHASE

[illegible]

Hire Purchase, etc.

[illegible]

BEERS, WINES AND SPIRITS

[illegible]

BUILDING INDUSTRY, TIMBER & ROADS

[illegible]

BUILDING INDUSTRY—Continued

[illegible]

CHEMICALS, PLASTICS

[illegible]

CINEMAS, THEATRES AND TV

[illegible]

DRAPERY AND STORES

[illegible]

DRAPERY AND STORES—Continued

[illegible]

ELECTRICAL AND RADIO

[illegible]

ENGINEERING, MACHINE TOOLS

[illegible]

ENGINEERING—Continued

[illegible]

FOOD, GROCERIES, ETC.

[illegible]

HOTELS AND CATERERS

[illegible]

HOTELS—Continued

[illegible]

INDUSTRIALS (Miscel.)

[illegible]

مكتبة من الأصل

مكبرة من الأصل

INDUSTRIALS—Continued

[illegible]

INSURANCE

[illegible]

MOTORS, AIRCRAFT TRADES

Motors and Cycles

[illegible]

Commercial Vehicles

[illegible]

Components

[illegible]

Garages and Distributors

[illegible]

NEWSPAPERS, PUBLISHERS

[illegible]

PAPER, PRINTING, ADVERTISING

[illegible]

PROPERTY

[illegible]

PROPERTY—Continued

[illegible]

SHIPBUILDERS, REPAIRERS

[illegible]

SHIPPING

[illegible]

SHOES AND LEATHER

[illegible]

SOUTH AFRICANS

[illegible]

TEXTILES

[illegible]

TOBACCOS

[illegible]

TRUSTS, FINANCE, LAND

Investment Trusts

[illegible]

TRUSTS—Continued

[illegible]

Finance, Land, etc.

[illegible]

OILS

[illegible]

OVERSEAS TRADERS

[illegible]

RUBBERS AND SISALS

[illegible]

TEAS

India and Bangladesh

[illegible]

Sri Lanka

[illegible]

Africa

[illegible]

MINES

CENTRAL RAND

[illegible]

EASTERN RAND

[illegible]

MINES—Continued

FAR WEST RAND

1975/6 High	Low	Stock	Price	+ or −	Div Net	Cvr	Y'ld Gr's
£11	415	Blyvoor 25	460	+10	‡Q180c	1.3	12.9
£21½	890	Buffels R1	940	−10	Q180c	1.4	11.4
430	124	Deelkraal R0.20	135	......	—	—	—
£14¼	420	Doornfontein R1	490	+10	‡Q110c	1.4	13.3
£12¾	650	East Drie R1	690	+25	Q75c	ϕ	6.4
380	160	Elandsr'd Gld Mng 20c	185	....	—	—	
450	125	Elsburg R1	150	+2	Q33.8c	ϕ	13.0
£31	£12	Hartebeest R1	£14⅞	+½	Q215c	1.4	8.6
£13¼	450	Kloof Gold R1	490	+10	Q55c	1.6	6.7
£17¼	450	Libanon R1	530	.....	‡Q110c	1.9	12.3
£13¼	335	Southvaal 50c	400	+15	Q8c	ϕ	1.2
400	155	Stilfontein 50c	172	−3	Q36c	ϕ	12.4
£33¼	£14¼	Vaal Reefs 50c	£16¾	+1¼	Q175c	ϕ	6.2
£11½	240	Venterspost R1	275	.....	‡Q70c	1.9	15.1
£55	£21½	W. Drie R1	£23	+¼	‡Q485c	1.2	12.5
745	195	W'st'rn Areas R1	210	+5	Q52c	ϕ	14.7
£23	975	Western Deep R2	£10	.....	Q147½c	ϕ	5.8
536	190	Zandpan R1	240	+5	Q35½c	1.0	8.8

O.F.S.

1975/6 High	Low	Stock	Price	+ or −	Div Net	Cvr	Y'ld Gr's
400	75	Fr. State Dev. 50c	85	.....	Q14c	1.6	9.8
£32¼	£16½	F.S. Geduld 50c	£18½	.....	330c	1.3	10.6
265	63	F.S. Saaiplaas R1	74	.....	26c	2.6	4.8
960	340	Harmony 50c	380	+10	Q77c	1.8	12.0
575	82	Loraine R1	95	−1	Q6c	0.5	3.7
£28¼	£13½	Pres. Brand 50c	£14¼	.....	Q250c	1.3	10.4
£25¾	825	Pres. Steyn 50c	938	−12	Q125c	2.2	7.9
£39¾	£16¼	St. Helena R1	£17	−¼	Q250c	1.2	8.7
340	105	Unisel	116	−2	—	—	—
525	245	Welkom 50c	305	....	Q55c	1.7	10.7
£40	£21¼	W. Holdings 50c	£22¼	.....	Q475c	1.2	13.2

FINANCE

1975/6 High	Low	Stock	Price	+ or −	Div Net	Cvr	Y'ld Gr's
540	315	Ang. Am. Coal 50c	360xd	+20	MQ38c	2.8	6.3

[illegible]

DIAMOND AND PLATINUM

[illegible]

CENTRAL AFRICAN

[illegible]

AUSTRALIAN

[illegible]

TINS

1975/6 High	Low	Stock	Price	+ or −	Div Net	Cvr	Y'ld Gr's
11	6	Jantar 12½p	6	.....	—	—	—
68	31	Kamunting 15p	35	+1	‡7.0	1.2	‡
180	135	Killinghall	180	.....	Q50.0	ϕ	27.8
192	106	London Tin 20p	150	.....	7.0	1.3	7.2
220	93	Malay Dredging	200	+3	10.7	2.0	8.2
41	22½	ΔPahang	25	−1	Qb2.6	ϕ	16.0
65	40	Pengkalen 10p	46	.....	7.0	1.5	23.4
112	75	Petaling SM1	107	−2	—	—	—
36	8	Saint Piran	34	+1	—	—	—
135	68	South Kinta (10p)	85	.....	‡9.5	1.5	‡
180	73	Sthn. Malayan	130	+2	10.7	0.9	12.7
63	31	Sungei Besi 20p	31	.....	‡6.0	3.0	‡
43	29	Sungei Way SM1	32	.....	ZQ10	—	5.5
84	40	Tanjong 15p	47	.....	4.0	ϕ	13.1
75	46	Tongkah Hb SM1	46	.....	Q23%	0.6	9.6
93	42	Tronoh	74xd	+1	4.29	ϕ	8.9

COPPER

1975/6 High	Low	Stock	Price	+ or −	Div Net	Cvr	Y'ld Gr's
112	42	Botswana RST R2	52	......	—	—	—
390	170	Messina R0.50	200	......	Q35c	1.9	10.4

MISCELLANEOUS

1975/6 High	Low	Stock	Price	+ or −	Div Net	Cvr	Y'ld Gr's
10	3	Burma Mine 17½p	9	......	m0.5	—	1.5
65	17	Charterhall 5p	27½	......	—	—	—
880	350	Cons. Murch. 10c	720	......	Q80c	ϕ	6.6
53½	29½	Laurasia	35	......	—	—	—
470	200	Northgate C$1	410	+15	tQ25c	1.0	3.2
211	80	R.T.Z.	195	+2	g5.51	4.4	4.3
135	47½	Sabina Inds. C$1	107	......	—	—	—
81	45	Stanford Mines¶	45	......	—	—	—
£12½	874	Tara Exptn. $1	£10⅞	......	—	—	—
122	38	Yukon Cons. C$1	115	......	—	—	—

NOTES

Unless otherwise indicated, prices and net dividends are in pence and denominations are 25p. Estimated price/earnings ratios and covers are based on latest annual reports and accounts and, where possible, are updated on half-yearly figures; they are adjusted to ACT of 35 per cent. P/Es are calculated on the basis of net distribution; bracketed figures indicate 10 per cent. or more difference if calculated on "nil" distribution. Covers are based on "maximum" distribution. Yields, assuming maintenance of net dividends on current rate of ACT, are based on middle prices, are gross and allow for value of declared distributions and rights. Securities with denominations other than sterling are quoted inclusive of the investment dollar premium.

- Δ Sterling denominated securities which include investment dollar premium.
- ● "Tap" Stock.
- * Highs and Lows marked thus have been adjusted to allow for rights issues for cash.
- † Interim since increased or resumed.
- ‡ Interim since reduced, passed or deferred.
- ‡‡ Tax-free to non-residents.
- ϕ Figures or report awaited.
- †† Banks and Insurance: reserve allocations may preclude calculation of dividend cover.
- ¶ Price at time of suspension.
- § Indicated dividend after pending scrip and/or rights issue: cover relates to previous dividend or forecast.
- ** Free of Stamp Duty.
- ϕ Merger bid or reorganisation in progress.
- ϕ Not comparable.
- ϕ Same interim: reduced final and/or reduced earnings indicated.
- ϕ Based on 1973 profits.
- ‡ Cover allows for conversion of shares not now ranking for dividends or ranking only for restricted dividend.
- ☆ Cover does not allow for shares which may also rank for dividend at a future date. No P/E ratio usually provided.
- ♥ Excluding a final dividend declaration.
- ✦ Regional price.
- ‖ No par value.

a Tax free. b Figures based on prospectus or other official estimate. c Cents. d Dividend rate paid or payable on part of capital, cover based on dividend on full capital. e Redemption yield. f Flat yield. g Assumed dividend and yield. h Assumed dividend and yield after scrip issue. j Payment from capital sources. k Kenya. m Interim higher than previous total. q Earnings based on preliminary figures. r Australian currency. s Dividend and yield exclude a special payment. t Indicated dividend: cover relates to previous dividend, P/E ratio based on latest annual earnings. u Forecast dividend: cover based on previous year's earnings. v Tax free up to 30p in the £. w Yield allows for currency clause. y Dividend and yield based on merger terms. z Dividend and yield include a special payment: Cover does not apply to special payment.
A Net dividend and yield. B Preference dividend passed or deferred. C Canadian. E Issue price. G Assumed dividend and yield after pending scrip and/or rights issue. M Figures based on prospectus or other official estimates for 1976. N Dividend and yield based on prospectus or other official estimates for 1976. Q Gross. T Figures assumed. U No significant Corporation Tax payable. Z Dividend total to date.

Abbreviations: xd ex dividend; xc ex scrip issue; xr ex rights; xa ex all; xd ex capital distribution.

"Recent Issues" and "Rights" Page 24

This service is available to every Company dealt in on Stock Exchanges throughout the United Kingdom for a fee of £325 per annum for each security

FINANCIAL TIMES
Friday March 12 1976

Army stages coup in Lebanon

BY IHSAN HIJAZI

BEIRUT, March 11.

THE COMMANDER of the Beirut garrison, Brig.-Gen. Aziz Ahdab, last night announced a military coup d'etat and asked President Suleiman Franjieh to resign immediately.

Gen. Ahdab, a 55-year-old Moslem, went on television and read out: "Communique No. 1." He said President Franjieh must resign immediately and that Parliament must meet within seven days to elect a new Head of State.

He proclaimed martial law and an indefinite curfew with orders to his troops to shoot at violators on sight without warning. The *general appointed himself the* military governor of Lebanon and announced that he upheld the agreement Lebanon had concluded with the Palestinian guerillas.

It is not yet known how much following he has in the army command, but informed sources declared that he is supported by the chief of military intelligence and the commander of the air force, both of whom are Christian.

The sources added that he does not have the support of the army command at the Ministry of Defence, which is located near the presidential palace.

As Gen. Ahdab spoke, gunmen in the Moslem areas of Beirut fired their weapons in the air in *jubilation*, but the Christians did not join in.

The big question is whether the general will have the backing of Moslem officers and soldiers who have been engaged in the army rebellion, and who have already gained control of six garrisons in the south and north of the country.

This is Lebanon's second coup d'etat since the 1943 independence. The first one took place in 1961 but failed.

Earlier, Mr. Rashid Karami, the Lebanese Prime Minister, had apparently independently submitted his resignation after rebel Moslem Army officers had rejected an amnesty offer and seized three more Army barracks.

Mr. Karami's resignation—his *second in as many months*—came after rebel Moslem army officers had rejected an offer of full amnesty by the Lebanese commander in chief, Maj.-Gen. Hanna Saeed.

The rejection came on a day in which the rebels made further gains, seizing three more army barracks. The military commander for Northern Lebanon, *Col. Abdel Majid Shehab*, was also shot dead in a predominantly Christian area on the main Beirut-Tripoli highway.

The rejection of the amnesty by the leader of the mutineers, Lt. Ahmed Khatib, who heads the self-styled Lebanon Arab Army, is a serious blow to *Syrian attempts* in the past 24 hours to prevent the rebellion snowballing into another Lebanese civil war. The amnesty offer was believed to have been part of a Syrian initiative.

The Syrian chief of staff, Maj.-*Gen. Hikmat Chehabi, returned* to-day from Damascus with what were said to be firm instructions from President Hafez Assad for dealing with the military insurrection. These included instructions to units of the Syrian-backed Palestine Liberation Army (PLA) to take over the garrisons that the rebels had seized in north and south Lebanon during the past three days.

Mr. Karami announced his resignation in an emotional radio address in which he likened his country to a sinking ship. He had done his best "to steer the ship to safe shores," but said there was nothing more that he could do. Mr. Karami resigned in January, but agreed to withdraw his resignation six days *later after the Syrian mission* under Mr. Abdel Halim Khaddam, the Foreign Minister, arranged a ceasefire between the warring Christian and Moslem civilian populations.

Last night, General Saeed offered a full pardon to all deserters with the exception of those who committed murder. He also promised that the army of the future will be "the army of all Lebanon" to defend the country against the "enemy on the border," an allusion to Israel.

The assurances were made in reply to charges by the deserters that the army was prejudiced in favour of the Christians, and that it had shirked its responsibilities in the Arab confrontation with Israel.

Reports in the Press said President Al Assad sent the instructions after President Franjieh threatened to resign. *President Franjieh* was reported to have made the threat after high-ranking officers submitted letters and memos demanding action to end the mutiny.

This was the first time in Lebanons' independent history that senior Army officers submitted such letters.

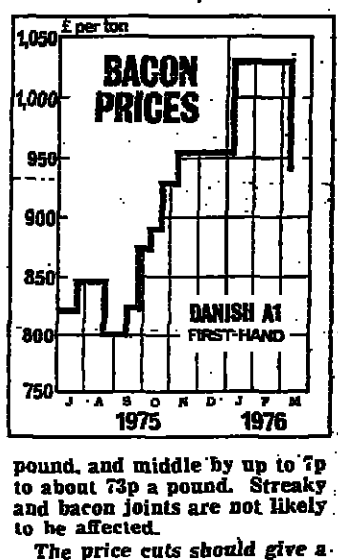
Bacon prices drop sharply

BY PETER BULLEN

SOME BACON rashers will cost 7p to 10p a pound less next week following a record drop of £90 a ton in the first-hand selling price of Danish A1 bacon yesterday.

The big fall in the Danish price has been awaited eagerly by bacon sellers in recent weeks as there has been noticeable consumer resistance to the record high prices.

Three months ago, bacon prices broke through the £1,000 a ton barrier for the first time. Although bacon from other countries came down in price after two weeks, Danish, which has been in short supply, has *remained at £1,030 until yesterday.*



For the past week, British, Ulster and Irish bacon have been a full £100 a ton below the Danish level and further discounts were being offered making the gap even wider.

Following the Danish price cut yesterday, Irish and British bacons came down by £20 a ton to £910 and Ulster was cut by £80 to £850 a ton.

These reductions in wholesale prices are expected to be translated in the shops into some relatively big falls in the price of back and middle rashers. Back should come down by as much as 10p a pound to about 80p to 85p a pound, and middle by up to 7p to about 73p a pound. Streaky and bacon joints are not likely to be affected.

The price cuts *should give* a big fillip to sales. "With reductions of this size sales are bound to respond," one wholesaler commented last night.

However, not so good news for the housewife yesterday was that eggs will go up next week. Large will cost *1p* a dozen more and other grades 2p. Demand for eggs is very strong *at the moment and the* weakness in sterling has restricted any large inflow of eggs from the Continent.

THE LEX COLUMN

AIP gives up th struggle

Rumours of a sharp rise in MLR were being treated sceptically by the money market last *night. Such a move would be* completely contrary to recent official policy. Meanwhile, the 500-Share index has reached a new peak, although the 30-Share *index weakened late in the day* after AIP's move into liquidation.

Index fell 2.3 to 411.8

AIP—RIP

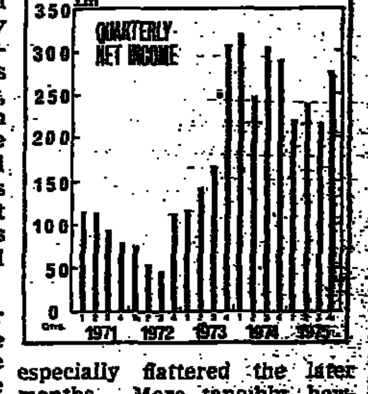
The news that Amalgamated Investment is being placed in compulsory liquidation unsettled property shares even further yesterday, and, the prices of the more highly geared groups have fallen by up to a fifth this week with the sector index now 30 per cent. below last April's high. The collapse of AIP has come now, rather than at any other time over the last two years, because a full scale accountants' investigation prior to the renegotiation of bankers' support this month showed a deficit of a "few million pounds." The directors believe there will be "insufficient funds" to pay all *creditors at the end of the day* even on the assumption that current developments, such as Amalgamated House in the City, can be let over a period and then *sold: The fall in values since* 1973 seems to have been around two-fifths, which clearly raises questions about the current solvency of other companies which have not fully revalued since the end of the boom.

The direct implications for the property market may be *limited since a majority of the* British secured creditors have already shown willingness to co-operate in an "orderly realisation." Moreover, the property *is mainly of good quality* and the view in the investment market yesterday was that the £100m. involved could be absorbed without too much indigestion in the current strong conditions: yields for prime larger properties are around 6½ per cent. and under 6 per cent. for smaller buildings. The sums involved are equivalent to about an eighth of last year's institutional purchases.

But the crucial general point is that the collapse was not brought on by action from the banking creditors who still seem to be keeping to their "wait-and-see" policy. So there is no *reason to believe that there will* be an extensive domino effect though one or two of the more vulnerable groups could be shaken out. However, the extent of the fall in values does suggest that a similar position could arise in time for other groups *with a large revenue deficit* if lettings and rents remain weak. But the occasional casualty in a patchy and delayed recovery is after all the message of the current level of property shares.

Shell

Currency influences explain this week's 6 per cent. gain by the oils sector index, but the results from Shell also present encouraging signs of a trading uptrend. Within an overall decline of 13 per cent. in net income for the year to £950m. the final quarter turned out the best of the four at £270m., though the progressive decline of sterling (about a tenth over 1975 as a whole) may have



especially flattered the later months. More tangibly, however, chemicals volume was picking up in the final quarter, while refinery utilisation improved (partly for seasonal reasons) to 72 per cent. against an average of 67 per cent. for the year as a whole. Very recently the group has seen signs of improved demand in the German and French markets, especially for gasoline and chemical feedstocks.

Shell's volume fall of 13 per cent. in 1975 implies some loss of world market share—industry volume in Western Europe, for instance, declined only 7 per cent.—but the group claims this was offset in profits terms by a shift towards the lighter end of the barrel. France and the U.K. turned out to be the most profitable large *markets, with the Far* East reasonable, but Germany showed a loss. The North American operations reported sharply lower dollar earnings, but marginally improved the consolidated net inc per cent. Elsewher operations help to e of the Shell grou earnings stability, w 3 per cent. higher buoyant.

Plainly, Shell's e set to rise healthi suggesting a sharp p/e of 5.8 at 416 devaluation fun is largely over.

See also Pag

Ultramar

The terms cannot precisely, but Ultra rights issue in 7 convertible Prefe rather tightly pi yesterday's 8p fall effective conversio 190p at present. It will not be adjus account of Ultram scrip issue (it doe dividend) unless becomes significa than at the moment the Preferred wou represent around of the enlarged eq be less than half —which means tha writers must be relatively optimis tions about the p of the future divi

The reason for type of issue is th is in no hurry to dividends on the although there is this might change couple of years although its U.K. small it does not e any unrelieved A As with Berry group is raising on the strength of

With debt cur senting 120 per c holders' funds, th equity is not surpr risks are very ha on the informat so far. Last year' on target at £13.9 a favourable seas *fall in sterling.* that year-end wri to be substantiall in the past, the produced no mor The current year clear, and the rests in Indo Ultramar's gas a sions have a h £30m. or more. market capitalisa the p/e is not t Shell's.

See also P

£300m. nuclear reprocessing deal to be approved to-day

BY DAVID FISHLOCK, SCIENCE EDITOR

THE GOVERNMENT is expected to give its approval to-day for British Nuclear Fuels to expand its activities in reprocessing spent nuclear fuel for other countries—one of the most controversial proposals yet raised by the nuclear industry.

Government approval clears the way for a contract worth £300m.-£500m. which the State-owned company has been negotiating with a group of *Japanese electrical utilities*, for reprocessing 4,000 tonnes of spent fuel.

The U.K. Government's position is being explained to the Japanese nuclear industry in Tokyo to-day by Dr. Walter Marshall, chief scientist at the Department of Energy, at the invitation of the Japan Nuclear Forum.

The *decision* is expected to be subject to the important condition that Britain shall remain free to return to the country of origin, as a solid, the highly radio-active residue from the reprocessing operation.

For this reason it will negotiate inter-governmental "understandings" with each nation which signs a reprocessing con*tract with British Nuclear Fuels*, to ensure that the solidified waste will be accepted.

Contracts will also stipulate that, should the company fail to develop a satisfactory method of solidifying the waste, it will have the option of cancelling the contract, if the Government should wish it to do so.

These conditions, the Government believes, will safeguard the U.K. from becoming a "nuclear dustbin" through accumulating the highly radioactive waste *from other nation's* nuclear power activities. This rather fanciful idea was given considerable publicity last autumn when Mr. Anthony Wedgwood Benn, Secretary for Energy, called for a public debate on the export activities of British Nuclear Fuels.

Solidified

At the same time the Government stipulated that any contract should include an "escape clause" allowing the company to renege if it should prove unable, for technical reasons, to return the solidified waste to its customers.

But the ensuing debate established not only that was the *company not embarking on a* new venture—it had already reprocessed about 700 tonnes of spent fuel for other nations—but that anticipated domestic demands for reprocessing still outweighed export prospects. The company was already planning to construct a new £300m. reprocessing facility at its *Windscale, Cumbria*, factory by 1983 to accommodate spent fuel from British nuclear stations.

If it succeeds in winning the Japanese contract the company believes it would be justified in constructing a second 1,000-tonne reprocessing plant at Windscale, say by 1986. The terms of this contract include a substantial down payment—of the order of £130m.—towards the cost of the second plant. To fill the second plant to capacity, the company will be looking for further overseas orders amounting to about half the Japanese contract during the 1980s.

Discussions are continuing with the French nuclear industry. British Nuclear Fuels said yesterday, about a French proposal to share the Japanese contract with Britain. The French and West Germans are partners with the U.K. in a tripartite marketing organisation called United Reprocessors.

M & G chief attacks equity 'gimmicks'

BY MARGARET REID

THE BANK of England-sponsored Institutional Shareholders Committee and the proposed "equity bank" were attacked last night as "expedients and gimmicks" designed to affect the approach of institutional investors to companies in which they held shares.

The sharp criticisms were delivered by Mr. David Hopkinson, M and G unit trust group's chairman of *investment*, at a London conference. Te resigned in August from the ISC, which was set up four years ago by the former Governor of the Bank of England, Lord O'Brien.

"It has all the disadvantages of committees when they are set up to do a job that individuals should be doing themselves," said Mr. Hopkinson, who also made proposals to increase the effectiveness of non-executive directors. In addition, he called for Government concessions over stamp duty and capital gains tax *to foster capital-raising through* fixed-interest stocks.

Fantasy

Making clear that he thought institutions should individually watch their own investments, he hit out at the ISC. Such a committee, he said, "would be frightened of looking at the very *companies that should be rattled* up."

Mr. Hopkinson recalled that, when he was a member of the ISC, "there was at least one insurance company and one bank that I thought should be inquired into if the committee were to achieve anything useful. But to imagine that that committee was capable of, or equipped for, looking into the two companies I had in mind is fantasy."

Mr. Hopkinson, who in passing mentioned Distillers—the M and G shareholding in which was sold last summer—spoke more favourably of the idea of special *ad hoc* committees of institutional shareholders to do particular jobs.

Extensive proposals concerning non-executive directors — who could "only be as useful as the executive directors care to make them, unless there is legislation to give them specific powers" were also outlined by Mr. Hopkinson, whose group manages £500m. of investment funds.

Authority

He suggested that between 25 per cent. and 40 per cent. of a public company's directors should be non-executive, aged in the 40s or 50s and "men of authority in their own businesses, professions or unions."

They should not be very well paid so that they "are not in the pocket of the chairman or managing director and can afford to resign."

Criticism of the idea of a new "equity bank" also came yesterday from Mr. W. R. Ballantyne, chairman of Scottish Mutual Assurance Society. "This does not appear to be a desirable development," he said in his annual statement.

"By itself the new institution will not bring into being any additional supply of capital and it *would appear to* establish a priority for the provision of existing capital to situations which had hitherto been classed as less favourable."

Building society receipts soar

BY MICHAEL CASSELL, BUILDING CORRESPONDENT

BUILDING SOCIETY deposits last month reached the second highest level recorded.

Figures to be published to-day will confirm that the societies continue to benefit from the wide gap in interest rates between them and most other competing investment institutions. Some societies reported yesterday that the first two weeks of this month had been even more encouraging than February.

Their very strong position will be a major point under consideration at a meeting of the Building Societies Association council on April 9, three days after the Budget, when present interest rates will be reviewed.

The mortgage rate has remained at 11 per cent. since September 1973, although the investors' rate on ordinary shares fell last year from 7.5 per cent. net to 7 per cent.

Until next month, most societies are keeping an open mind about the chances of rate *reductions, although the feeling* is that, despite all the uncertainty surrounding interest rates generally, some cuts are still likely. There is, however, no political pressure on the movement to take any particular action.

To-day's figures from the societies are expected to show that net receipts last month *reached about £350m., a figure* surpassed only once, last April, when net deposits totalled £406m.

Advances last month are thought to have been about £400m., which would be the lowest monthly total since early last year. The comparatively low figure is being attributed to seasonal factors, rather than any tailing-off in underlying mortgage demand.

The figures are also likely to show that societies approved mortgages worth about £490m. *in February, only a little short* of the record level reached last October.

Against this background, the movement will have to decide whether a reduction in its current interest rates makes sense.

The major concern is not to take any action which could prove short-lived and there is certainly a chance that if, in the *next few weeks*, a definite reversal in general interest rates becomes apparent, societies will feel very reluctant to move against the trend however strong their present position is.

Halifax results, Page 3

Weather

U.K. TO-DAY

OCCASIONAL rain.

London, E. England

Occasional rain. Bright intervals later. Wind S.W., light. Max. 9C (48F).

S.W. England, S. Wales

Cloudy. Some rain. Wind S., moderate or fresh. Max. 10C (50F).

Rest of England, N. Wales, I. of Man, Channel Is.

Fog clearing. Sunny periods. Rain later. Wind S., light or moderate. Max. 9C (48F).

S.W. and N.W. Scotland, Argyll, N. Ireland

Showers, heavy at times. Bright intervals. Wind S., moderate. Max. 7C (45F).

Rest of Scotland

Occasional rain. Bright intervals later. Wind S.W., light or moderate. Max. 7C (45F).

Outlook: Changeable.

Lighting-up: London 18.29. Manchester 18.37, Glasgow 18.44, Belfast 18.52.

BUSINESS CENTRES

	Y'day Mid-day	°C	°F		Y'day Mid-day	°C	°F
Amsterdm.	C	5	41	Manchstr.	C	7	45
Athens	C	14	57	Melbourne	S	19	66
Bahrain	S	20	68	Mexico C.	S	21	74
Barcelona	S	13	55	Milan	S	6	43
Belfast	R	7	45	Montreal	C	−2	28
Belgrade	Sn	−3	27	Moscow	C	−1	30
Berlin	S	2	36	Munich	S	2	36
Birmghm.	C	6	43	Newcastle	C	5	41
Bristol	C	7	45	New York	S	6	43
Brussels	C	6	43	Oslo	F	−3	27
Budapest	S	1	34	Paris	C	9	48
B. Aires	S	23	74	Perth	S	32	90
Cairo	S	24	75	Prague	S	2	36
Cardiff	C	7	45	Reykjavik	C	2	36
Cologne	S	5	41	Rio de J'o	S	31	88
Copnhgn.	S	−3	27	Rome	S	10	50
Dublin	R	7	45	Singapore	C	29	84
Edinburgh	R	5	41	Stockholm	S	−3	27
Frankfurt	S	4	39	Strasbourg	S	5	41
Geneva	F	3	37	Sydney	C	22	72
Glasgow	R	5	41	Tehran	Sn	−3	27
Helsinki	F	−4	25	Tel Aviv	C	20	68
Hong Kg.	C	23	73	Tokyo	S	13	55
Jo'burg	S	26	79	Toronto	S	−4	25
Lisbon	F	12	54	Vienna	S	1	34
London	C	7	45	Warsaw	C	−1	30
Luxembrg.	S	4	39	Zurich	S	2	36
Madrid	S	11	52				

HOLIDAY RESORTS

	Y'day Mid-day	°C	°F		Y'day Mid-day	°C	°F
Ajaccio	S	13	55	Istanbul	C	5	45
Algiers	S	14	57	Jersey	F	7	45
Biarritz	S	16	61	Las Plms.	S	19	66
Blackpool	C	7	45	Locarno	F	6	43
Bordeaux	S	13	55	Majorca	S	14	57
Boulogne	C	6	43	Malaga	S	15	59
Casablnca	S	16	61	Malta	C	12	54
Cape Tn.	S	23	73	Nairobi	S	24	75
Corfu	C	13	55	Naples	S	10	50
Cyprus	C	17	63	Nice	F	12	54
Dubrovnik	C	7	45	Oporto	C	12	54
Faro	S	18	64	Rhodes	C	15	59
Florence	S	8	46	Salzburg	S	3	37
Funchal	S	16	61	Tangier	S	17	63
Gibraltar	S	16	61	Tenerife	S	14	57
Guernsey	F	6	43	Tunis	C	12	54
Innsbruck	S	3	37	Valencia	S	16	61
Inverness	C	8	46	Venice	S	3	37
Is. of Man	R	5	41				

S—Sunny F—Fair C—Cloudy R—Rain Sn—Snow

Snow Reports Page 29

700 new jobs in South Wales

FACTORY spaces totalling 100,000 square feet allocated in South Wales to six companies since the beginning of the year are expected to provide 700 new jobs in the next three years, Mr. John Morris, the Secretary for Wales, announced yesterday.

The factories are at Pontardulais, Hirwaun, Bridgend (two), Llandovery, and Tafarnau Bach, near Ebbw Vale.

Grundy Autoproducts are transferring their factory from Ashford, Middlesex, to Ebbw Vale, to provide jobs for redundant steelworkers. They plan to employ 200 within three years.

Continued from Page 1

Pound regains two cents

which certain EEC currencies float against the dollar.

At a similar juncture last week there was much speculation about whether the U.K. authorities would add fuel to the currency fire by allowing a further fall in interest rates.

There is no question of that to-day. Equally, however, market forces do not point in the other direction, and the likelihood is that Minimum Lending Rate will be left unchanged, following last week's fall.

Robert Mauthner writes: Amid unconfirmed rumours in Paris that the French foreign exchange market might be closed to-day, the franc again came under severe pressure yesterday and remained pinned to its European currency snake floor of Frs.176.425 for 100 D-marks.

Although the rumours were denied by M. Jean-Pierre Fourcade, the Finance Minister, this did little to dampen speculation that a devaluation of the franc against the West German currency would be difficult to avoid in the longer run.

However, it is clear that the French Government will do everything in its power to avoid such a decision before next Sunday's final round of the local cantonal elections in which the Left-wing Opposition has already made substantial gains.

The Bank of France again intervened in the market to-day, selling both D-Marks and Swedish Crowns to prop up its beleaguered currency, which has been dragged down in the wake of the pound.

French officials continue to maintain that there is no fundamental economic reason for a change in the franc/D-mark parity within the "snake" since French prices are currently considered fully competitive in terms of the D-mark, the currency of France's major trading partner.

The French maintain that the latest pressure on the franc is almost entirely the result of the run on the pound which has produced a massive demand for the world's strongest currencies *such as the D-mark, Swiss franc* and U.S. dollar.

Some commentators have not hesitated to accuse the Bank of England and, by implication the British *Government*, of deliberately allowing the pound to slide by an excessive amount to give British goods a competitive edge in the world's markets and thus boost the British economy.

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